the Freeman

Ideas on Liberty

FEBRUARY 1968

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Anyone wishing to communicate with authors may send first-class mail in care of THE FREEMAN for forwarding.

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The Freeman

A MONTHLY JOURNAL OF IDEAS ON LIBERTY

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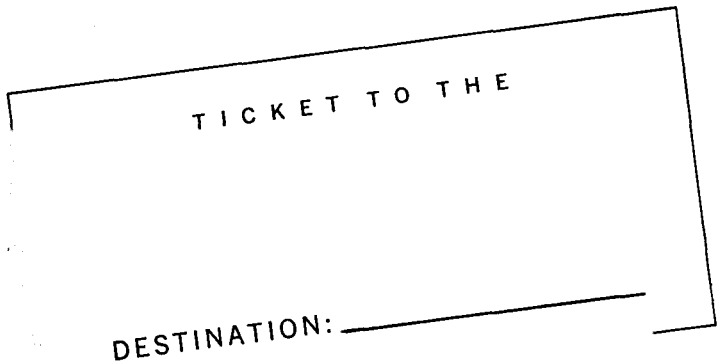

RALPH BRADFORD

TODAY we are writing the ticket to the future. We have been doing that all our lives, to be sure. Each generation does. But now it is a new ticket, and calls for passage over strange and dangerous roads not traveled by us before.

The course of our history, the prosperity and welfare of our people, the stability of our economy, the safety of our savings, and, in the long run, the survival of our political and personal freedom – all these are wrapped up in the decisions being made by the Americans who live today. That is the ticket we are writing – the ticket to the future.

In politics, in economics, in fiscal affairs, in law enforcement, in crime detection, in the attitude of our nation toward the rest of the world – in all this, and also in the fundamental matter of personal morality, we have been writing, and continue to write, a ticket that is in sharp contradiction of our experience, a reversal of our long-held convictions, and a denial of the principles of government which, with varying degrees of faithfulness and failure, we have professed and tried to live by.

Of late years we have seen old landmarks of safety and beacons of stability disappear. At a time of unprecedented economic activity, with our combined energies producing nationally at an all-time

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high, we are plagued with debt and with a continued shrinking of our personal assets, due in large measure to mismanagement of our national finances.

Theories of the New School

It is fair to say at this point that not everyone will agree with that appraisal. There is a considerable school of economists, especially of the academic order, who see little wrong with the statist course we have been pursuing. These hopeful scholars feel secure because the Gross National Product is double the amount of our debt; and they also postulate that in order to provide employment (which some of them mistakenly assume to be the reason for industrial and commercial enterprise) the economy must be kept at what they call "high velocity," and that very extensive spending by the "public sector" (i.e., the government) is necessary to attain and maintain that velocity.

Actually (they say), it doesn't matter whether our staggering national debt is *ever* paid, so long as there is high employment, and so long as the dollars paid in wages and salaries increase in the same ratio as the cost of living. This means that if an item formerly sold at a dollar and now costs six, the increase is of no consequence so long as the purchaser now receives six times as many dollars for his labor or other services.[1]

Suppose we see if we can state this spend-and-borrow theory in the simple terms of a certain family man, John Doe. As a junior industrial executive, he has a pretty good salary, lives well, and saves some money. But if the family becomes extravagant, and John begins to spend more than he takes in, what happens? Nothing at all, for a year or two, because his credit is good and he can borrow to cover his deficit. But after a while the word gets around that the Does are "living beyond their means" – and credit begins to get tighter. Before long, it is denied altogether. Holders of notes close in. The car is repossessed. When John defaults on his house payments for several months, the holder of the mortgage has no choice but to foreclose. In a short time the Does are bankrupt, if not destitute.

[1] In "What's Going on Here?" in the November 1967 FREEMAN, I showed that this argument is fallacious, because the GNP does not belong to the government but to the people and cannot, without seizure, be hypothecated to secure the debt. The increase-in-number-of-dollars theory takes no account of what inflation has done to all bonds, insurance, pensions, annuities, and other fixed-income investments which the average person has made in an effort to provide for his own security.

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Isn't that the way things would eventually work out for such an improvident family? And can you figure out how it could be otherwise?

Ah, but the devotees of deficit financing look with scorn on any such homely analogy. They say the two things have no relation to each other. The credit of an individual is necessarily limited by his ability to earn and pay; but the government, being sovereign, can go on spending indefinitely, without regard to its income. It is immune to such things as garnishments and other legal attachments. Nobody can foreclose on the United States. The government can't go bankrupt. For one thing, look at its resources – over two and a half trillion dollars worth of them. Maybe three trillion![2] And besides, it has the power to issue more money whenever needed.

The proper analogy, they say, is that of the huge corporation – any one of a dozen that come quickly to mind. These gigantic outfits are *always* in debt. They borrow hundreds of millions of dollars on which to operate. They never intend to get out of debt. By their vast borrowings they are able to turn out their products, make a profit, pay dividends, and provide employment. The financing of such debts is simply part of the cost of doing business. If these great capitalistic enterprises can go along with more or less permanent debts in the interest of production and profit, why criticize the Federal government for doing the same thing in order to provide services and security for the people?

Some Vital Differences

All this ignores two fundamental differences between such corporations and the government. The first difference is that even the biggest corporation in the country could not obtain such loans if the lenders did not know that the corporation possessed the assets to secure them and would be able on demand or at maturity to pay them off. The government, on the other hand, does *not* have such collateral assets. All the talk of its multitrillion dollar resources is so much wishful thinking. Those assets belong to the people, not to the government; and they can be properly cited as offsets to the debt only if and when the government is prepared to seize them without compensation to their owners.

The other difference is that such borrowings of corporations *do not affect the value of our money.* Borrowings and lendings among

[2] By this, they mean all the wealth of this country.

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corporate enterprises, like most of those among individuals, are simply part of the economic process of production and exchange. If a lender (probably a bank or other large corporate structure) is foolish enough to loan a manufacturing company more than the latter can repay, the worst that can happen is that the debtor company may be thrown into bankruptcy, with loss to its creditors and investors, transitional unemployment for some of its workers, and with perhaps some adverse but not devastating impact upon the economy. It will be a disaster to those involved, but it will not cause inflation or otherwise lessen or destroy the value of our money. The government, on the other hand, by its borrowings creates credit which in turn becomes the basis for more borrowings. This can be kept within manageable bounds only if the government demonstrates that it can and will pay off its creditors (the holders of its bonds) without first cheapening their money and thus reducing or destroying the value of their bonds. When this is not done, more and more money is printed, metal coinage is debased, excess dollars help create demand for more goods, prices rise—and all fixed-income investments are either seriously impaired in value or are wiped out altogether.

Inflation in Two Countries

Let us take two examples of how this works, in one case mildly, in the other devastatingly. Twenty years ago Richard Roe bought some U. S. Government "E" Bonds. Each hundred dollar bond cost $75.00 and matured in ten years at face value. At maturity, bond holders were urged to leave the bonds at interest, and Mr. Roe did so. Today each bond is worth $140.00, a paper profit of $65.00 on the original $75.00 investment. This looks pretty impressive, until you figure what has happened to the dollar. Recent government figures reveal that the value of the dollar has shrunk by one-third in the past 20 years. So, the $75.00 investment, after 20 years, is worth only $93.33 in terms of those original dollars.

The other example is from Argentina. I first visited that interesting country – so like our own in many respects – in 1947. At that time the peso was fairly strong at 4 to the dollar. Perón was in power, but the country had not yet really begun to feel the impact of his big-spend, everything-for-the-*descamisados* program. Four years later I returned, and in that short time the peso had shrunk 80 per cent – down to 20 to the dollar. And today? It is now quoted at 350 to the dollar – a dollar which also has shrunk

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by one-third in the same period. The peso is now worth less than one per cent of its former purchasing value. Now suppose Ricardo Hernandez had saved some money and twenty years ago had bought an Argentine bond with a face value of 400 pesos ($100.00 at that time). It has now matured. He cashes it, and he gets his 400 pesos, all right – but they are worth in current dollars only $1.14! Of his 400 pesos, 397 have been wiped out by inflation.

This problem of inflation and its dangers is one of the ghastly unrealities of our present situation – not the inflation itself, which is already at work and creeping more and more dangerously high, but the general inertia with which it is regarded, the bland and blind indifference to the destruction of values, both financial and moral. At high government levels, in many academic circles, among certain businessmen and even some bankers the doctrine of the bigger-and-bigger-and-never-to-be-paid debt is being accepted as normal and natural and necessary.

Thus, we write the ticket to the future by denying the dictates of common sense and the experience of history. Nobody has yet given me a satisfactory answer to this question: by what logic do we assume that somehow, miraculously, and contrary to all human experience, we of all earth's people shall escape the day of reckoning?

A National Guilt Complex

Our confusion about matters financial is on a par with our uncertainties concerning other things that are now being written into that ticket to the future. We talk about that future rather hopefully at times, but without actually relating it to the present. We ignore (because we do not understand) the inexorable laws of cause and effect. Partly as a result of this, we seem to have no firm sense of our national destiny, nor even a clearly defined idea of what we *want* our country to be. Participation in two world wars and two "police actions" has taught us little. We are still fascinated with the idea that it is our mission to "save" the world. We also suffer from a kind of guilt complex, engendered, no doubt, by the ceaseless propaganda of highly-placed leftists, who equate material success with social wickedness.

Mea culpa – God forgive me, I am guilty! Of what? Well, I am a citizen of a rich and powerful country. Moreover, by dint of luck and some foresight, I myself am not a candidate for public relief. Therefore, I'm guilty, and ought also to do penance. Our nation, too, is guilty, for the same

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reason, and must do penance. And since universal flagellation is impracticable, the way to absolution is to slice off large portions of our wealth through taxation and hand it over to certain "underprivileged" or "emerging" nations. They may or may not deserve it. In all likelihood most of it will go into the pockets of the upstart adventurers who are running most of those nations; and in any event it is a safe bet that they hate us, and will continue to do so. But no matter. We are rich and they are not; therefore, we owe them a handout – a ten- or forty- or two-hundred-million-dollar handout!

We also suffer, domestically, from a species of moral and economic schizophrenia. For generations we have taught and been taught that it is a worthy thing to work hard and save money, partly for the sake of accomplishment, partly as a hedge against the hazards of old age. Now we are not so sure, and our uncertainty is being articulated by some highly placed "liberal" spokesmen. Just now a well-known professor at a leading university, who also writes books and dabbles in politics (and who represents a considerable body of "liberal" opinion) is worried because the country is too affluent. He wants a new industrial system. He wants a few wise men in Washington (or at Harvard?) to decide what portion of our earnings should be spent for our own subsistence, comfort, pleasure, development, and security, and how much should be taken away from us to be expended on public improvements and facilities, and especially on things of esthetic value (as determined by whom? A liberal elite, maybe?) He would, of course, do all this by compulsion of law, because he understands that the average person, not knowing what is good for him, will resist such a program. Yet, so weak is our understanding of the meaning of freedom, that many who would on principle strongly oppose these particular exactions, will not hesitate to invoke compulsion to force you and me and others to pay for *their* favorite political nostrums!

Hidden Consequences

It would seem, however, that these Galbraithian proposals are somewhat more than slightly *ex post facto*. For over 30 years we have been subjecting ourselves to just such a bleeding process by electing persons and parties committed to essentially the same kind of Big Brotherism, except that we have seldom understood until too late that Big Brother may distribute largesse, but that he also collects taxes to cover the

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outlay – and that he demands obedience! For light on this phase of our aberration it is helpful to talk with some of the "beneficiaries" of slum clearance projects, or with farmers who are "aided" under allotment programs, or with stockholders in motel properties that have been by-passed by Federally financed highways. Despite all disillusionment, Big Brotherism still has its devotees, who believe firmly that there is nothing wrong with the country or the world that seven, fifteen, or sixty billion American dollars won't cure! In the furious annual debates in Congress on the national Budget (which nine times out of ten is a deficit one) there has seldom been a year when the termination of a few worse-than-useless foreign aid grants would not have balanced the books. Yet, we have continued, under both major political parties, to pour out billions, often to our avowed enemies, or to states that do not even pretend to be our friends – states that criticize and ridicule us at every opportunity, and that would not stand with us for a moment in any showdown with the communist powers.

Confusion? Say rather, lack of direction. Somewhere along the line we got off the track. Was it occasioned by the permissiveness that seems to dominate education as well as the morals and the discipline of family life? Was it the long-continued propaganda of influential socialists in the political, educational, and religious fields? Why does a nation of intelligent people drift into and persist in a policy of general self-deception leading to self-destruction? Who knows? Some blame attaches to all those conditions and circumstances, no doubt; but it should be assessed finally against all of us – against every person who understands the blessings – and the demands – of freedom, but who sells out for advantage, or expediency, or who "goes along" because he just doesn't care, or because he doesn't understand that he, too, is writing the ticket to the future.

A Heritage of Disaster

If, as we profess, we want for our children a society that nurtures freedom, we shall have to begin *now* to think and talk in terms of freedom, rather than in the shackling clichés of statism, for the one concept utterly negates the other. We cannot think and act today as collectivists and expect to avoid tomorrow the mounting tyrannies of rampant bureaucracy and supergovernmentalism. It is useless to talk hopefully of a golden future, with everybody happy and prosperous

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in a great society, if by our decisions *now* we are undermining the only foundations upon which such a future can be based.

Some of our collectivists are most probably men of evil purpose, linked more or less directly to a world conspiracy that would destroy us. But they are few, and would be impotent in their designs, were they not upheld, with good intent and clear conscience, by a much larger number who are people of good will and charitable, if mistaken, attitude. What the conspirators think is no concern of ours, in this article or at any time. They know their goal, and will not be deterred from its wicked accomplishment. But the others, the men and women of fuzzy good will, should reflect (as a starter) that if inflation is not stopped by the exercise, finally, of fiscal prudence, and is allowed to reach avalanche velocity (as it has done in many countries, both anciently and of late) then the first to suffer loss and want and destitution will be the people of small means and limited income, over whose status certain types of politicians and left-wing "philosophers" now shed tears.

At about this point, some adherent of collectivism and compulsion is due to rise up and demand whether one is aware that by such advocacy of prudence and solvency one is opposing real economic progress as well as social betterment.

Such questions, and their implication that solvency is an enemy to progress, are without foundation. There is no precedent in human experience to warrant the assumption that a permanent governmental debt is a prerequisite for economic growth. On the contrary, it works the other way around. (Ask the British.) Bankruptcy has never been a safe foundation for either material or social progress. Lessening or destroying the value of a nation's money in order to liquidate its debt without seeming to repudiate it – this has always brought disaster rather than prosperity.

The best way to make an economy secure is to safeguard the national credit and preserve the value of its currency. The best way to encourage a "high velocity" economy is to maintain conditions under which men can create and venture without fear of being penalized either through excessive taxation or the debasement of their money. The surest way to bring on a "static" economy is to deny those conditions.

Yet, that is what we are doing. This is the ticket we are writing – the ticket to the future.

How far will it take us?

And to what destination? ◈

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• *One of the panel-discussion sessions of the 1967 Mont Pelerin Society meeting in Vichy, France, was devoted to "the practical ways of affirming liberalism" – liberalism in the sense of personal freedom and limited government. Mr. Powell's summary paper, as presented there, is reprinted by permission.*

J. ENOCH POWELL, *formerly Professor of Greek at Durham University, has been a Member of Parliament since 1950, was Minister of Health in the Macmillan government, and presently serves as spokesman on defense in the "Shadow Cabinet" of the Conservative Party.*

The Practical Liberal

I ASSUME that in this context "liberalism" means the use or advocacy of market processes to determine the application of effort and resources, wherever the objects in view are economic in character.

The definition embraces more than may at first sight appear, because the market process requires private ownership, including private ownership of capital, and is inconsistent with arbitrary interference with, or specific regulation of, the economic choices of the citizen.

The way to affirm this principle is, quite simply, to affirm it, and go on affirming it, and be seen to go on affirming it, which includes explaining and defining its meaning and the manner in which it works in practice.

In most actual societies there exist institutions and laws which are inconsistent with this principle – ranging from nationalized industries to specific controls on hire purchase [buying on credit]. The nonpolitician can and must denounce these. The politician, meaning thereby a person who is or, by the nature of his situation, may in the future be, in political authority, must in the first place not approve them. This is the great essential.

In politics it is frequently

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neither possible, nor necessary, nor even right, to volunteer the truth. What never is right or necessary is to speak untruth; that is, to make statements inconsistent with one's belief and opinion. It may be, and often is, unavoidable to tolerate and even administer institutions and laws repugnant to liberalism. A liberal does not have to refuse office as Minister of Power on grounds that he will then be responsible for nationalized power industries. What he may not do is to show approval of the principle or speak or behave in such a way as implies such approval.

So long as we do not estop ourselves by express or implicit approval of what we do not believe in, it remains possible to contemplate an alternative in theory, and to bring forward proposals for change in practice, when the opportunity is propitious.

One can never know when opportunity will ripen. Frequently, it does so for reasons which are fortuitous or even undiscoverable. The opportunity, however, cannot be taken when it comes if the principle has meanwhile been conceded to one's opponents. Two cases in recent British politics are subsidized and controlled houserents and the legal privileges of trade unions. After decades in which both principles were unquestioned and apparently unquestionable, it has suddenly in the last two years become possible for practicing politicians to denounce them publicly, even though we still shrink from practical proposals of a radical character to reverse them. Both parts of the operation, however, are unavailable for those who have admitted these principles in the past, whether *ex animo* or with mental reservations.

There is thus a division of function between the politicians (as defined) and the nonpoliticians. The politician may, and often does, have to take a view upon what is "politically practicable," though only for the immediate future; he must beware of the vulgar error of supposing that there are acts or propositions which are permanently, necessarily, and inherently "politically impracticable." On the other hand, the nonpolitician has no business at all with judging what is "politically practicable." He has neither competence, responsibility, nor motivation for doing so. It is a tragedy, though one not infrequently enacted, when the nonpoliticians withhold opinions, affirmations, or arguments, because they fancy them "politically impracticable," and thus make it difficult, if not impossible, for the politicians to espouse and act upon them. ◈

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THE GREAT ANOMALY

LEONARD E. READ

PROGRESS and regress occurring simultaneously!

A modern Dickens might well describe ours as "the best of times . . . the worst of times." Our standard of living soars as opportunities for employment multiply in pace with the quantity and quality of goods and services available. Yet, at the same time, we experience on an unprecedented scale the reckless waste of work stoppages, political controls, and other restraints upon freedom.

This is the great anomaly, so pronounced on both counts and so hand-in-hand that many persons believe the destructive actions are really causing the creative outburst! This is perfectly illustrated when, on hearing a criticism of the growing governmental interventionism, many Americans reply, "We've never had it so good." Such mistaken correlation will persist unless we understand and explain why depredation cannot bring about economic well-being.

The paradox of increasing prosperity with more extensive interventions is not new. In *The History of England* (1839)[1], Lord Macaulay observed: "It has often been found that profuse expenditures, heavy taxation, absurd commercial restrictions, corrupt tribunals, disastrous wars, seditions, persecutions, conflagrations, inundations, have not been able to destroy capital so fast as the exertions of private citizens have been able to create it."

Brazilian entrepreneurs have another way of explaining their simultaneous progress and regress: "We get things done while the politicians sleep."

If the notion that regressive measures cause the progress becomes a firm and general conviction then, assuredly, the regressive forces will overtake, consume, and eventually destroy the progressive

[1] See Chapter 3.

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forces. For example, should we become convinced that a minimum wage law is a means of raising wages and then base all facets of the economy on similar illusions, the American miracle will have ended. So, it is of the utmost importance that we dissect this anomaly and divest it of its mystery.

The explanation is quite simple: *exchange has been multiplying more rapidly than restraints on exchange.* Consistent with this answer is the fact that authoritarianism, so far, has lagged behind the release of creative energy; bureaucratic dictation has failed to keep pace with entrepreneurial ingenuity; capital has been formed faster than destroyed; citizens in pursuing their own interests have accomplished much while the political gods have been sleeping.

Changing Patterns of Wealth: Specialization and Trade

A systematic understanding of the importance of specialization and trade (exchange) is of recent origin.

Prior to the time of Adam Smith's *Wealth of Nations*, less than 200 years ago, wealth was concentrated in few hands and was reckoned mostly in inventories: precious metals, jewels, slaves, acres of land, size of manor or castle, and so on.

Then, with the advent of specialization which Adam Smith understood and explained so admirably, a new concept of wealth came into being. Instead of idle inventories possessed by feudal dukes and lords of the manor, wealth in the form of useful goods and services spread to the masses whose skills were needed to activate and operate the tools of industry. So marked has been this change that today's American laborer is wealthier in the variety of things he enjoys than the legendary Midas, Croesus, or any medieval king.

However, a shift from a near self-subsistence economy – foraging and the like – to a specialized economy presupposes not only the accumulation of savings and capital but also freedom to exchange.

Were a people to specialize and not exchange, there would be no wealth; indeed, all would perish. As the absence of exchange results in poverty, so does the proliferation of willing exchanges result in increased wealth.

That wealth increases through the process of willing exchange is understandable once we apprehend the subjective nature of gain.[2] To illustrate: I produce shoes; you produce sweaters. If I cannot sell my shoes, and if you cannot sell

[2] For a more detailed explanation of the subjective theory of value see "Freedom's Theory of Value." THE FREEMAN, October, 1967.

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your sweaters, is it likely that either of us would keep on producing these things? So, without exchange, there would be no further increase in wealth. But, should we willingly exchange, each gains. I value the sweater more than the shoes, and you value the shoes more than the sweater—two increases in value, as each of us judges value. Were this not the case, there would be no willing exchange between us, no increase in wealth, no further production. Clearly, willing exchange is the key to increased wealth and increased production.

Willing exchanges are incalculably more numerous now than in the days of Adam Smith, even than in the days of my grandparents. This is apparent to any observant person. But what most of us overlook is the enormous proliferation of exchanges during the past three or four decades; the increase takes on the nature of an explosion. Try to reckon the number of exchanges you engage in daily; they are so numerous that you are scarcely conscious of them. This is our economic progress.

During this period of exploding exchanges, we have also witnessed governmental intervention in the market, restrictions on willing exchanges literally by the thousands. This is our regress.

But the regress has not—to date, anyway—kept pace with the progress. In this fact lies the explanation of the great anomaly.

The Source of Progress

It is doubtful if anyone can more than casually account for the explosion in exchanges. Quickened transportation and communication —some of it at the speed of lightning—assuredly plays an important role. Inventiveness, resulting in fantastic technological breakthroughs, must be included. Perhaps questionable motivations have had a hand in the phenomenon; for instance, a raging passion for material affluence, as if this were the highest object of life. While too complex to pursue, some of the restraints—obstacles—have doubtless generated the ingenuity to hurdle them and, thus, have accounted partially for the progress. Necessity is, on occasion, the mother of invention. However, my purpose here is only to set forth a fact; I haven't the effrontery to attempt a complete explanation for the exchange explosion.

Nor am I bold enough to posit all that lies at the root of our regress. Why does authoritarianism grow? Why do so many wish to lord it over the rest of us, that is, why do they behave as gods, not as men? We may never know; we can only reflect as has Lionel Tril-

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ling: "We must beware of the dangers that lie in our most generous wishes. Some paradox of our nature leads us, when once we have made our fellow men the objects of our enlightened interest, to go on to make them the objects of our pity, then of our wisdom, ultimately of our coercion."[3]

But of one thing I feel reasonably certain: we should bring sharply into question the absurd notion that the regressive forces are the cause of our progress. Failure to do this may soon result in the end of progress. There are signs of this! At the very least, let us be aware that such progress as we have achieved is in spite of and not because of the regress. Thus, we may see through the great anomaly! ◈

[3] Quoted in *The American Scholar*, Autumn, 1965.

IDEAS ON LIBERTY

The Division of Labor

IT IS the great multiplication of the productions of all the different arts, in consequence of the division of labor, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people. Every workman has a great quantity of his own work to dispose of beyond what he himself has occasion for; and every other workman being exactly in the same situation, he is enabled to exchange a great quantity of his own goods for a great quantity, or, what comes to the same thing, for the price of a great quantity of theirs. He supplies them abundantly with what they have occasion for, and they accommodate him as amply with what he has occasion for, and a general plenty diffuses itself through all the different ranks of the society.

ADAM SMITH, *The Wealth of Nations*

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THE THEORY OF Political Escalation

WALTER J. WESSELS

THE "MAJORITY WILL" or "consensus" is a smoke screen for many of the false theories and harmful practices of the welfare state. The majority rarely favors any particular feature, let alone the welfare program as a whole. But somewhere in the program individuals or small groups may find something appealing to their special interest. And the combination of special interests forms the "majority will." But rarely is any group concerned about the overall effect of the entire program, to which all groups might well be opposed. Each sees only the tiny fraction that seems to favor its own interest.

The result of such pursuit of special interests might be referred to as "political escalation." Escalation of a war is the process by which one adversary attacks another, provoking a counterattack of greater ferocity, and so on until both are involved beyond their expectations. The process is similar in the political sphere. Each group seeks its own gain through government taxation and spending at the expense of others. But the others, in turn, seek similar gains, and so on until the net effect is detrimental to everyone involved. Perhaps no particular group would have triggered the process had the result been foreseen – the political escalation that leads to self-destruction.

In the free market of open competition, each individual may know and weigh the benefits and costs to him of a particular action or choice. But when government intervenes to separate the benefits from the costs, the relationship is blurred for the individual. Others

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share the costs of the benefit he derives, and there is no clear correlation between his own tax bill and the benefits he has sought. How much higher or lower will his taxes be if he personally seeks or rejects a given benefit? The temptation always is to seek the personal benefit for which all taxpayers are obliged to help pay. So it is that everyone has his special lobby in Congress for his own pet project, while there is little if any organized and effective opposition to the over-all burden of taxes. Thus, we get "government by pressure groups."

This process of political escalation tends to feed upon itself if government intervention is not opposed. Not only are those who seek to gain at others' expense benefited and encouraged; those who want no part of "something-for-nothing" are punished with heavier taxation. Thus, the process is pushed both by those who actively seek government aid and by those who merely seek compensation for their heavy tax burden.

Unilateral self-responsibility may seem a lonely and unpopular course of action, somewhat like unilateral action for peace when military escalation is rampant. But if there is to be political de-escalation from the increasing burdens of the welfare state, someone will have to make that break. And if he will stand firmly on principle for the right of the individual to live for his own sake, eventually he may find support from others disillusioned by the false promises and mounting costs of socialism. As their numbers increase, a time will come when some candidate for political office has the courage to campaign for a tax reduction that is soundly based on the elimination of government give-away programs.

Political escalation is a process of self-destruction. To seek something-for-nothing from others makes bums of those who try it and also victimizes those who would assume their own responsibilities. It thus behooves every responsible person to unalterably oppose all the programs of the welfare state and the political escalation by which mankind is led to destruction. ◈

IDEAS ON LIBERTY

Unfit to Serve

THE MAN who is aware of his inability to stand competition scorns "this mad competitive system." He who is unfit to serve his fellow citizens wants to rule them.

LUDWIG VON MISES, *Bureaucracy*

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Government vs. Private Operation

DAVID L. BABSON

IT HAS become the fashion – especially among politicians, union bosses, and businessmen – to call more and more on the government for action. The extent to which its share of the economy has mushroomed over the years is shown below:

FEDERAL, STATE, AND LOCAL GOVERNMENT ACTIVITY

Year	Employment (Millions)	% of Total Employment	Expenditures (Billions)	% of Gross National Product
Current	*11.7*	*15.7%*	*$243*	*30.8%*
1963	9.5	13.8	171	29.2
1960	8.5	12.8	137	27.2
1955	6.9	11.0	99	24.8
1947	5.5	9.5	44	18.7
1940	4.2	8.8	18	18.4
1935	3.5	8.2	13	18.4
1929	3.1	6.4	10	9.8

Note that the public share of employment has been rising faster since 1947 than it did during New Deal days. Also observe that 15.7 per cent of all workers (one out of six) are now on public payrolls compared with 6.4 per cent (one out of sixteen) in 1929.

The preceding table shows that the public sector now accounts for close to one-third of total economic activity against less than one-tenth in 1929. Our Federal government is the biggest employer, borrower, lender, and spender in the world. One out of nearly every three dollars of personal and business income now goes to a tax collector somewhere.

Particularly disturbing is the fact that this speed-up in public spending has been taking place during a period of record economic prosperity. In the past decade,

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nondefense outlays in the Federal budget have shot up by $37 billion or nearly 150 per cent while those of state and local entities have gone up another $59 billion or 135 per cent.

Just in the past four years, total Federal expenditures have jumped $44 billion, or by nearly two-fifths. Of this amount, $25 billion or more than one-half has been for nondefense activities. It seems incredible, but this increase in civilian outlays is over twice as much as the U. S. government paid out for all purposes in any year prior to World War II.

Moreover, Washington is constantly pressing, or being urged, into new fields – education, hospital care, credit, housing. Problems that are essentially local in nature – such as mass transit, traffic, urban decay – are now being passed on to Federal bureaus. So the public sector grows and grows.

A question that puzzles us is why anyone should think that such spheres of activity can be conducted more effectively under public than private management. Does anyone conceive that Federal administrators have greater talents than private business managers or local civic leaders?

A good illustration of the striking differences in public vs. private management is afforded by a comparison of the two giants of the communications field – the U. S. Post Office and American Telephone & Telegraph. It is interesting to observe how these two organizations have affected us as consumers and taxpayers over the years. As a starting point let us take a look at the trend of postal rates since the early 1930's:

FIRST CLASS POSTAGE, 1-OZ. LETTER

	Regular	Air Mail
Proposed	*6¢*	*10¢*
1963	5¢	8¢
1958	4¢	7¢
1957	3¢	6¢
1947	3¢	5¢
1933	3¢	6¢
1932	2¢	5¢

In recent years various public commissions, congressional committees, and the White House have investigated and criticized the "inflationary" pricing policies of private business. Yet, it is a matter of record that during the past ten years, while the cost of living has gone up about 20 per cent and the industrial price index has increased 7 per cent, the Post Office has hiked its rates by 65 per cent to 100 per cent.

Now let's see how prices of the privately-operated telephone system have fared over the past thirty years. The rates for three-minute toll calls between Boston and other major cities are shown below:

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STATION-TO-STATION TOLL RATES FROM BOSTON*

Year	New York		Chicago		San Francisco	
	Day	Night	Day	Night	Day	Night
Current	*$0.75*	*$0.55*	*$1.40*	*$0.70*	*$1.75*	*$1.00*
1963	0.75	0.55	1.50	1.20	2.25	1.75
1955	0.75	0.55	1.60	1.30	2.50	2.00
1947	0.75	0.45	1.65	1.25	2.50	2.00
1939	0.80	0.50	2.50	1.50	6.75	4.50
1932	1.00	0.60	3.25	1.75	9.50	5.75
% Decline 1932-1967	*– 25%*	*– 8%*	*– 57%*	*– 60%*	*– 82%*	*– 83%*

*Excludes Federal excise taxes

Reduced tariffs for calls made after 12 P.M. went into effect this month as follows: Chicago, 60¢; San Francisco, 75¢. While toll rates have declined substantially over the years, the cost of local telephone service has been trending upward. But even here, the rise since 1932 has been less than half that of the consumer price index and only one-third as much as the increase in postal charges for regular mail over the same period.

Thus, it is obvious that as consumers we have fared much better pricewise with the privately-operated organization than with the publicly-run one. This is largely a reflection of the degree to which each of the two systems has been able to lift its efficiency or "productivity." Here again, the public operation makes an unfavorable comparison:

Year	EMPLOYEES (In Thousands)		VOLUME HANDLED		PER EMPLOYEE (1930 = 100)	
	P.O.	Bell Co.	Pieces of Mail	Daily Conversations	P.O.	Bell Co.
1966	*675.4*	*650.8*	*75.6 Bil.*	*295.7 Mil.*	*136*	*225*
1963	587.2	571.4	67.9 "	251.4 "	140	218
1962	588.5	563.9	66.5 "	242.4 "	137	214
1961	582.4	566.6	64.9 "	226.4 "	135	199
1957	521.2	640.9	59.1 "	188.3 "	137	146
1950	500.6	523.3	45.1 "	140.8 "	109	134
1940	353.2	275.3	27.7 "	79.3 "	95	141
1930	339.5	318.1	27.9 "	64.0 "	100	100
% Increase 1930-1966	*+ 99%*	*+ 105%*	*+ 171%*	*+ 362%*	*+ 36%*	*+ 125%*

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Note that over the past 36 years the postal service has managed to increase the number of pieces of mail handled per employee by 36 per cent, but the Bell System takes care of well over twice as many conversations per worker as it did then. Since 1957, the P. O. has added employees slightly faster than its volume has grown, whereas the rising efficiency of the Bell System has permitted it to handle three-fifths more traffic with only 1 per cent more help.

Quality of service is, of course, much harder to measure than cost. But even without benefit of statistics, it is apparent that postal service has been going downhill for years despite the sharp increase in its rates. In the early part of the period under review we received two daily postal deliveries at home, four at the office. Now we are supposed to get one at home and three at the office.

Despite fast planes and express highways, business mail from New York frequently fails to arrive here until the second day — even though it is less than an hour's flight and a five-hour train or truck trip. In contrast, a dial connection to almost any station in the country takes but a few seconds — a fraction of the time it did thirty years ago.

Now what effect have these two systems had upon us as taxpayers? The following table shows the postal deficit and the taxes paid by the Bell Telephone Companies, both annually and on a cumulative basis.

Public operation makes a strikingly poor showing here. Even though as consumers we pay much higher postal rates than ever before, we are even worse off as taxpayers. We now contribute nearly one billion dollars a year to make up the deficit between postal receipts and expenses, or fifteen times as much as when the letter rate was only 2 cents.

	Deficit of Post Office Dept. (Millions)		Taxes Paid by Bell Companies (Millions)	
Year	Annual	Cumulative from 1932	Annual	Cumulative from 1932
1966	*$943*	*$12,843*	*$2,718*	*$30,045*
1963	819	10,454	2,246	22,301
1961	826	8,860	1,972	17,952
1958	891	6,832	1,483	12,442
1950	545	2,233	499	4,472
1940	41	687	185	1,090
1935	66	428	94	352

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In contrast, note that while the Post Office Department has drained off $13 billion from our tax revenues since 1932, the Bell Companies have, over the same period, put $30 billion into public coffers through tax payments. And this figure does not include the many billions in excise taxes paid by Bell customers ($753 million in 1966 alone).

Moreover, the Bell Companies have millions of stockholders — American Telephone itself has 3.1 million, including colleges, churches, and other institutions as well as individuals. This week's increase in AT&T's dividend rate lifts its annual shareholder payments to $1,295 million vs. $248 million in 1950 and $39 million in 1930. These disbursements create personal income taxes that help finance the postal deficit.

Altogether the contrast in the results of these two organizations is a striking one. We wish some of those who are preaching the bigger "public service" doctrine would go a little slower in downgrading the system whose merits are so clearly shown by the above comparisons. ◈

IDEAS ON LIBERTY ***Government in Business***

IT IS NOT the business of governments to go into business, and when they do, they do not do it well. Their proneness to display, and their comparative indifference to costs, markets, or innovation, lead them to dissipate the energies of their peoples in spectacular and comparatively unproductive ventures.

Many economically fastidious governments, for ideological or political reasons, mind the business of their citizens to a degree that cuts down energy in both national and international circuits.

The efforts of "welfare" governments, in particular, to protect certain interests and discourage others, often work against the prosperity of both their own and other nations.

HAROLD FLEMING, *States, Contracts and Progress*

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or Selfish Interest?

BEN MOREELL

"POLITICAL CHARITY" is a contradiction in terms. "Charity" in the biblical sense means "love." "Political charity" is coercive. It forces people to "do good" (as defined by political administrators) under threat of punishment for failure to comply.

The great sums donated voluntarily to church and charitable institutions each year show that, if *left free to make their own* choices, our people need not be coerced to "love thy neighbor."

The "general welfare" clauses in the Preamble of the Constitution, and in paragraph 1 of Article I, Section 8, have been grossly misinterpreted and abused. In the *Federalist Papers*, Madison made clear the intent of those clauses. He was replying to a charge that the clauses could and would be abused, as has actually occurred. They were never intended to give "carte blanche" to government to do what it pleased with the people's property, under the pretext that it is "promoting the general welfare."

In discussions of "political charity" we often hear explanations of the debilitating effects of unearned benefits on the recipients, who usually know that the *quid pro quo* they are obligated to deliver are their votes at the next election. But we seldom hear discussions of what happens to the person who might have been a voluntary donor, if left free to choose, but who is now forcibly deprived of his money which will be distributed by political administrators, largely to achieve political objectives. He becomes bitter; and he *hates* – not only the politicians but the poor who have provided the vehicle for the politicians' thievery, in many instances through no fault of their own.

It has been said that venal politicians have a vested interest in maintaining the poor in a state of poverty. For, if the poor should become affluent, the politician would be deprived of a plausible reason for appropriating huge sums of tax monies for "wars on poverty" which will be conducted under his "command"! ◈

Excerpts from a recent letter to a friend by Admiral Ben Moreell.

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The Roots of LEFTISM in Christendom

ERIK VON KUEHNELT-LEDDIHN

THE TITLE of this essay perhaps requires some specification. By "Christendom" we mean the body of authentic Christians who accept the fundamental tenets of the Christian Faith: the Holy Trinity, the divinity of Christ which it implies, salvation through the Redeemer, the immortality of the soul and, needless to say, the message of the Bible. It might conceivably be argued that Christendom extends beyond the community of baptized believers; the Christian Faith has its "fellow travelers," persons who wholeheartedly accept the basic Christian ethos without subscribing to its concrete tenets. However, we are here primarily concerned with the strange phenomenon of Christians of the Left, especially Catholics who represent such a large share of the Christian world.

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Left and Right

In our Western civilization, originally inspired by Christianity, "left" has a pejorative implication. "Left" and "wrong" are the opposites of "right." Already in antiquity the left implied misfortune. The New Testament says that on Judgment Day the Just will be on the right, the Damned on the left of the Lord. In French *gauche* (like *linkisch* in German) means clumsy, awkward (for which the French have another word: *maladroit*—bad-to-the-right). In Italian, *sinistro* means left, dark, and also mishap, accident. Damnation seems to fascinate the Left. "Rise Ye, Damned of the Earth" are the opening words of the "Interna-

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tional." "Right," on the other hand, has a positive connotation everywhere. It also stands for the Latin *ius*, for rightness, rectitude, justice, honesty, correctness – in German, *Recht, Rechtlichkeit, Gerechtigkeit, Redlichkeit, Richtigkeit.*

In politics the Left was first identified with the opposition but later, in ideological parlance, it assumed a more definite meaning. In our highly confused civilization the semantic chaos has produced such statements as: "We reject communism and Nazism which are very much alike. Extreme right and extreme left are almost identical. No wonder – extremes always meet." Communism and Nazism are indeed very much alike but only because they both belong to the extreme Left. Extremes, needless to say, *never meet.* Hot and cold, big and small obviously never meet, nor do they become alike or identical.

The Rightist ideal postulates that everybody has his own proper rights, Ulpian's *suum cuique* – which does not imply equality, or sameness or identity, but plurality and diversity. The true Right stands for freedom, personality, decentralization, local rights, the principle of subsidiarity, free enterprise, spirituality, mixed government; the Left for centralization, equality and identity, collectivism, state omnipotence, socialism, materialism, and absolutism, whether of a democratic or monarchic order. (Absolute monarchy, as Ludwig von Gerlach said, is "the revolution from above.")

Leftism, Chronolatry, and Manichaeism

How, then, did it happen that Leftism made such deep inroads into Christian thinking, be it private or official? Is it not obvious at first glance that Leftism and Christianity are poles apart? Yet, the unfortunate and seemingly impossible synthesis has occurred and this for good reasons. Leading among these is *chronolatry,* the worship of the spirit of the times, the desire to be "up to date" and thus also to take the wind out of the sails of the enemies of Christianity. Yet, the end can never sanctify the means (a principle the Jesuits never promulgated) and the task of Christianity (or the Church) is certainly not to assimilate herself to trends and fashions but, rather, to inspire and to form them. This is surely the reason why the term *aggiornamento* (updating) has been quietly dropped by Rome in favor of *rinovamento* (renewal) and *ressourcement* (going back to the sources). "If you can't lick them, join them" may be a maxim appropriate for rough-and-tumble

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politics but not for the Church the Lord has founded on the Rock to last through the ages.

Chronolatry, however, is not the only explanation for the Leftist escalation inside the Church. Very definite misinterpretations and misreadings of the New Testament are at work, theories using errors for very specific purposes, wrong and distorted views concerning the entire development of Christianity and, finally, the curious phenomenon I have called *monasticism* (as an "ism"), the dangerous secularization of the monastic concept. (See my essay "El Monasticismo" in *Revista de Occidente*, Madrid, November, 1965.) Some of these notions can be traced in early church history, but most of them are of a more recent date; they are Medieval or even modern.

Ancient Christianity was menaced by Manichaeism, a dualistic concept of pagan origin which considered only the spiritual world as God's creation and the material one as the Devil's. This heresy had not only temporary but also lasting effects. Through the Bogomiles and Patarines it fathered the Albigensian heresy, one of the most terrifying aberrations of Christianity, and reappeared, strongly modified, as Jansenism. It constitutes, perhaps, a permanent intellectual temptation for Christianity (by no means for the Catholic Church only) and favors asceticism for all, not only for a select few with a specific vocation. The idea that wealth (or power) *automatically* enslaves is definitely Manichaean. The fact that a rich man can attain inner freedom from his riches (and be a pauper in spirit), while a poor man might desperately crave and even immorally try to acquire property, is hardly envisaged.

Who Was Christ?

In the early Middle Ages much was made of the concept of Christ the King though his feast was only decreed by Pius XI. Representations of Christ on the Cross, triumphant and wearing a royal crown, disappeared with the High Middle Ages and the rise of the new mendicant orders (Franciscans and Dominicans) rivaling the Benedictines and Augustinians. At that time a low-class and low-brow image of the origins of Christianity became popular. Yet, Christ was definitely *not* the son of a humble carpenter, his disciples not naive and uneducated fisherman, nor did he found a religion for the slaves and outcasts of the decaying Roman Empire. This version, however, became more and more widespread as time went on, and reached its climax in our age. As a matter of fact, one finds it, with minor adaptations, in the

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Bolshaya Sovyetskaya Entsiklopediya. It would be interesting to know just when the final breakthrough of this imagery occurred, but it is not yet to be found (in such a concrete manner) in either the Renaissance or Baroque period.

The hard facts are quite different. In the eyes of the Jews Christ was a natural pretender to the Judaic throne since he was of royal blood, a descendant of King David. Joseph is addressed as "Son of David" by the Angel Gabriel and the prominence given to the pedigree of Jesus underlines this fact. Hence, also, the repeated emphasis on the part of Christ that his kingdom was not of this world; hence, also, the not so ironical inscription "King of the Jews" on the Cross which apparently had terminated the drama.

From Biblical accounts it is also evident that his mother belonged, at least partly, to a priestly (Aaronite) family since Elizabeth was her cousin or aunt. Thus, Christ's family background is highly aristocratic; and whether Joseph was a carpenter is a very moot question. *Technón* could just as well be translated as "architect" or "building contractor." Christ's birth in a stable was accidental (a Prince, too, could be born in a gas station). And when the Magi came to worship the Child Jesus, they found him not in a stable —as art will have it— but "in the house of Joseph" who must have owned real estate in Bethlehem; otherwise, he would not have been compelled to return from Nazareth to David's town. (Whether the family was poor or not is sociologically an unimportant question; wealth and "nobility," especially in the Holy Land, were, and still are, separate attributes.)

Christ moved much among the wealthy; he brought no message for a new social order (he exhorted us to be charitable, not to engage in social engineering). His disciples were by no means "humble folk," but minor entrepreneurs like Peter, or first-rate intellectuals like John. One need only study the names and backgrounds of the Saints in the Roman Missal to discover that a very large percentage (a majority even) belonged to the higher and highest ranks of Roman society. Neither were the early Church Fathers "proletarians" or mental simpletons; they were people of certain means and, above all, original thinkers. Christianity came to the Roman Empire through the Jewish communities who had socially superior contacts, largely with the world of commerce and politics. There is nothing to indicate that the urban proletariate was particularly

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drawn to Christianity; we know for certain that the peasantry opposed it assiduously.

"Monasticism"

The rise of the mendicant orders in the Middle Ages put poverty, so to say, into the limelight. Nevertheless, we have to bear in mind that this new trend had nothing to do with the modern cry for "social justice" which certainly does not praise indigence but wants to abolish it by expropriating the wealthy. Still, monasticism, gaining ground in the High Middle Ages, had interesting and lasting psychological effects. The observation of St. Thomas that "corruption of good is the worst evil" can indeed be applied to the "image" of the monastery.

Now, it must be borne in mind that the monastery consists of men or women with a very special and rather rare *vocation*. They make a true *sacrifice* of their God-given liberty to their Creator whom they are willing to serve in an exclusive way. The vows of poverty, obedience, and chastity, which in Catholic theology figure as Counsels of Perfection (or Evangelical Counsels), are the very premises of monastic life. At all times there have been people who, though not themselves members of an order, have envied the monks and nuns their "secure and peaceful existence" while, on the other hand, men and women in orders have preached the monastic way of life to those "in the world."

It should not be overlooked either that, quite accidentally, of course, the monastery is the prefiguration of several "modern" institutions: the boarding school, the barracks, the factory, and, in a sense, the hospital. The monastery stands for discipline, collective work, identical clothing, strict schedules (a keen sense of time), subordination of the personality to the community, all, however, on the basis of a *voluntary decision*. An element of *coercion*, on the other hand, dominates all secular, pseudo monasteries. The monk is relieved of all material anxieties and worries to give him the freedom he needs for his spiritual adventure. Material security within an order, however, is never an end in itself. We all have heard the following quip: "Where can a man be sure of his daily bread, a roof over his head, employment, spiritual and mental care, peace from the other sex, and a decent funeral? In a monastery or in jail!" The difference between the two, however, lies primarily in the presence or absence of free choice. *And this difference is all-important.*

Before we go one step further, we ought to recall that the medi-

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eval monastery had a strong and far-reaching radiation. The monk, Joachim de Floris, originally a Cistercian, developed a socialist, utopian, visionary theory according to which all men and women would finally become monks and nuns. He was the harbinger of more radical and voluntary collectivistic ideologies to come. But at an even earlier stage the Irish monks, swarming all over the Continent, had begun to inject monastic ideals into the Catholic Church at large. (One can read more about this in A. Mirgeler's *Rückblick auf das Abendländische Christentum*, Mainz, 1961.) Their rigorism left its imprint on the Catholic Church which adopted many monastic ideas and institutions for the laity and the secular clergy. Celibacy for the priesthood was one of these.

Effects of the Reformation

The Reformation, initiated by Martin Luther, a friar of the Order of Augustinian Hermits, resulted in what Alexander Rüstow called "the socialization of the monastery." The ex-Dominican Sebastian Franck remarked in the early sixteenth century that it would be wrong to assume that he had escaped the monastery; in fact, monastic ideas were spreading in every direction. And though Max Weber's thesis about the Calvinistic roots of capitalism still stands (especially after the publication of Alfred Müller-Armack's work on the subject), it is equally true that the Reformation – in its essence a revolt against Humanism and the hedonism of the Renaissance – ushered in an age of sobriety, team spirit, puritanism, state omnipotence, and punctuality. (The foundations of the Swiss watch industry were laid by Huguenot refugees from France.)

In the meantime, the Catholic world (to this day far more indebted to Renaissance and Baroque than to the Middle Ages) developed nonmonastic orders: the Jesuits, the Salesians, the Redemptorists. To devout followers of Reformed doctrines, Catholic notions appeared individualistic and heathenish. Yet, all through the fifteenth, sixteenth, and seventeenth centuries in the northwest of Europe, untold radical sects arose which combined distorted Christian doctrines with notions of extreme social reform. Equality, collectivism, the enforced sharing of earthly goods, an iron discipline, and totalitarian measures provided them with the dynamics of aggression. The Taborites, Adamites, Anabaptists, Diggers, and Levellers are the best known among them.

At a later period the utopian socialists in France as well as in

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England and the United States established communities of a distinctly monastic character. And wherever Marxian socialism was transformed into a living reality, monastic forms inevitably made their appearance. When, during my last stay in the Soviet Union, I was asked about my reactions, I used to reply that this creation of Marx, Lenin, and Stalin seemed to me essentially a "godless monastery" upon whose population the Counsels of Perfection were *imposed*: poverty, obedience, and, though not chastity, at least a puritanical life. It is certainly no coincidence that communist parties proliferated in countries where monastic ideals and traditions are well rooted: Russia, China, Italy, France, and Greece.

The Procommunist Nostalgia

Christian ethical ideals are constantly proclaimed, taught, and propagandized by the Soviets. As a matter of fact, from billboards, television screens, loudspeakers, magazine covers, and newspapers the people are subjected to a constant barrage of Christian moralizing. They are exhorted to *behave* like Christians, but not to adhere to Christian religions – all of which creates a dichotomy of mind not sufficiently realized by Western analysts of the USSR. All this dull preaching without a higher appeal naturally cannot stop or diminish the enormous crime rate of the Soviet Union.

Conversely, one encounters dedicated Christians who, though in a very theoretical manner, have a moral admiration for the Soviet System. They are apt to remark that "if the communists only were to admit religion and let their system be baptized – it would be perfect; it would be ideal." Needless to say that people arguing in these terms are an easy target for Soviet propaganda. They only need to be persuaded (and usually they are subconsciously happy to hear and to accept the Glad Message) that there is no religious persecution in the USSR and, therefore, opposition against the system is really baseless. ("After all, the Soviets only apply the American principle of separation of State and Church! Just a little further liberalization and everything will be all right!")

Such reasoning, however, is entirely wrong. The "godless monastery" with a tyrannical, atheistic abbot is a bad enough caricature of the original Christian institution; but a religious communism – in other words, a coercive monastery with vocationless (in many cases married) monks and nuns, *born into it* – would be utterly diabolic. At the bottom of all these erroneous and perverted

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vistas lies a great deal of Rousseau's optimism. From Calvin's pessimism people have switched blindly to Rousseau's optimism concerning human nature. This truly "Genevan" tragedy, affecting all Western civilization, reminds one of Pascal's word that man is neither beast nor angel and that he who wants to make him forcibly an angel will turn him into a beast. And while we are quoting, we might also recall that Romano Guardini (in *Das Ende der Neuzeit,* Würzburg, 1950) said that while the Christian is bound, he must be *bound in freedom.*

It is precisely the "monastic heresy" *within* the Catholic Church during such a large part of her second millennium that fostered the spirit of coercion. It has now decidedly come to an end—ecclesiastically at least. But we can see Catholics (and other Christians) who have transferred their monastic fixations to worldly ideologies. And here lies a truly *internal,* psychological root of Christian leftism which derives false inspirations either from real monasticism or from its "socialization" in the Reformation period. Under Calvin and Farrell the city of Geneva (so well described by Kampschulte) was no less a monastery than was Massachusetts at the time of the Puritan settlement and, though in an entirely secular way, the many communist experimental communities in nineteenth century America. None of which means, however, that the original, manifestly religious monastery does not have its legitimate place in Christendom, not only in the Catholic and Eastern Orthodox, but also in the Anglican and Reformed context, as illustrated by the tremendous success of the Presbyterian monastery of Taizé in France.

Christian Masochism

Certainly not all "drives" toward Leftism within Christianity are due to purely endogenous forces and internal misinterpretations. Very often we encounter combined errors—extraneous ideas being given "religious" backing, a natural result of the desire to be "in the swim," to ride the wave of the future. Little is it realized that these notions earn not the admiration but the utter contempt of the secular world, above all of the Marxist forces to whom these often desperate efforts to agree with or borrow shamelessly from their ideologies are nothing but *confirmations* of their own theories. (We are also apt to applaud prematurely the smallest indication of an apparent readiness to compromise in the course of the Soviet Union's opportun-

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istic policies, Lenin's *zigzagnaya politika.*)

Christendom is in the grip of a terrible fear that we might have missed the bus – as, indeed, we usually do. In trying desperately to keep up with the times, to run after them, we Christians shall always resemble the dog who barks up a tree after the cat is gone. We then have made fools of ourselves and pay the fine for having disregarded Chesterton's warning: "The Church is the only thing which protects us from the degrading servitude of becoming a Child of our Times." To take up immediately every modern fad, would destroy Christianity in no time at all.

Leftist ideas trying to "tie in" with genuinely Christian thought have thus plagued us for some time: Why did the Church not give her full support to the French Revolution? Why not to democracy? Why not to socialism? Why has the Church always sided with the rich? Are not all men equal – at least in the eyes of God? Is it not understandable that the Church has lost the working class? When the Church was powerful, she used the secular arm to impose her will on the poor and the exploited. Would she not be wise to ally herself with the "rising powers," to "ride the wave of the future" by allying herself with trade unions, UN Secretaries, specific psychiatric schools, "emerging nations" and their "national-socialist" bosses?

In these questions and statements we perceive a whole maze of misunderstandings, old, die-hard legends and basic misconceptions, most of them originating with the critics of Christianity. As "wrong but clear ideas," they have succeeded in worrying ecclesiastics of all denominations to the point where they meekly accepted them and now they are deeply influencing even top leaders in their policymaking.

Clichés Examined

Let us have a closer look at these items. The Church's partiality for the rich is an already petrified legend securely embedded in the modern mind to the extent that it is hardly discussed. If one demanded supporting evidence, this would cause surprise and indignation – followed by enraged silence. True, there are a few rich countries where the Church is, let us say, at ease financially (though usually up to her ears in debt). Given her enormous commitments, however, the Church nowhere can be called really rich, and in many countries she is incredibly indigent. Most contributions come from middle-income and poor people. (The very

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wealthy, plagued by a bad conscience, more often than not masochistically support leftist causes.) The priesthood is rarely recruited from the ranks of the well-to-do; in fact, three of the last six Popes had lower-class backgrounds.

In the ministry of the Reformation Churches, too, men who can claim an upper crust origin are exceedingly rare. In most countries contacts between the clergy on one side and high finance or big business on the other are almost nonexistent.

Still, we are haunted by this ubiquitous pseudo commonplace which has never been properly examined, never confirmed, and yet creates needless nightmares in the minds of churchmen, high and low, some good theologians, some amateur sociologists, but in most cases men of an *abysmal ignorance about the laws of economics*. To talk economics without moral principles and soundly based psychology is as disastrous as the claptrap of theologians without economic training who pontificate vociferously on economic matters and thereby unwittingly become demagogues *bombinantes in vacuo*. Collaboration between the theologians and biologists leaves much to be desired, but even rarer is the intellectual exchange between theologians and economists, the result being "Social Romanticism."

In a number of countries a fierce competition in social demagoguery is raging between Marxists and Christians, a strange battle in which the opponents keep quoting each other. A brilliant, unsigned article in the (London) Catholic weekly, *The Tablet* (July 23, 1966), pointed out that the old, now so heavily condemned triumphalism in the Catholic Church has been replaced by a new mood based on the Social Gospel. But the Church, being a newcomer at this game, will hardly score.

The New Mythology

There may be remote and backward areas where social reform is utterly necessary and would really raise the general level of living. In an address to the Vienna *Katholikentag* in 1952 Pius XII called "deproletarization" through social reforms a closed matter except in isolated retarded regions. Contrary to a popular belief, Latin America is *not* one of these; the problem there is the lack of a work ethos (what the Spaniards call *la gana de trabajar*), as Professor Frederick B. Pike (Notre Dame) clearly proved in his essay in the July, 1964, issue of the *Review of Politics*. (This excellent article presents in a new light the dangers, the suicidal consequences of a political commitment to the Left on the part of the Church.)

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In Latin America the social pyramid has a very broad base but shrinks suddenly, ending in a thin needle. (See also my *Lateinamerika – Geschichte eines Scheiterns?* Osnabrück, 1967). The cubic content of this needle is so small that its "redistribution," while doing away with envy, would not improve the lot of the indigent but hardly laborious masses. Their natural virtues, as Professor Pike points out, were never sufficiently cultivated by the Catholic Church. In Germany even, where the social pyramid is far better equilibrated, an income ceiling of 1,000 DM (250 dollars) per month and an equal distribution of the "jackpot" would, in 1956, have yielded an extra 3.5 cents a day for each poor citizen. Similar experiments in Peru or Bolivia would be even less encouraging.

It is significant, however, that the churches today very rarely preach against *envy* which, after all, has been the dynamic force in every totalitarian movement for the last 200 years. By 1917 large landownership in Russia had dwindled (partly thanks to P. Stolypin's reforms) to a provisional 22 per cent of the arable land, yet in the civil war the peasants largely supported the Red Army. In Germany anti-Semitism would never have become a political factor if the Jews had remained as poor as the gypsies. (Who cared in 1933 whether the Jews had been collectively guilty of the Crucifixion?) There are theologians who know very well that radical social engineering (in Latin America, for instance) would be "for the birds," yet they are ready to advocate it because it might eliminate or at least diminish envy. And envy is bad, very bad. To one of these men I replied with a parable: Isabel and Heloise are sisters, Isabel is a beauty, Heloise an ugly duckling who cries into her pillow every night. Should one take a knife and disfigure Isabel? The good theologian raised his hands in horror.

Looking back at the questions we asked earlier, it certainly seems that the Church could hardly have sided with the French Revolution, with de Sade, Danton, Robespierre, Marat, and Saint-Just amidst the forest of guillotines. Nor with democracy, a régime of numbers, of equality and majority rule, whereas justice and equity might well be on the side of unpopular minorities. Nor should Christianity's rejection of Marxism be construed as partiality toward the rich; Marxism made a frontal attack on all religions since it stands for materialism and against spirituality. The

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Church had no choice whatsoever. Marxism, moreover, advocated the dictatorship of the proletariat in an omnipotent state. *Every* Church instinctively dislikes the omnipotent State (regardless of what a few ecclesiastic opportunists might have said in public). The Church never used the State but was always – especially during the Middle Ages – overshadowed by it. Her "power" was always a "lunar" derivative from a "solar" government. Canossa? It ended with Pope Gregory's bitter death in exile, to be followed much later by the Babylonian captivity in Avignon. The Church was always "poor and without means." (St. Augustine). And did she really lose the workers or was not, rather, the working class a brand-new element crystallizing outside her orbit? Are not the 2,000 years of church history a continued, desperate, yet miraculously not fatal battle for survival?

The New Temptation

Today Leftism is the great tempter approaching the Church from the outside while various errors are proliferating inside her. In our strictly nonpluralistic age, menaced by the Great Leftist Conformities, sameness and equality are the favorite battlecries. Yet, people are unequal not only physically and intellectually. They are also spiritually unequal. According to Christian doctrine there is no equality either on earth or in Heaven. (Possibly it exists in Hell, though.) Liberty, freedom, figures in the New Testament, equality never. Here we clearly observe an intrusion of political thought into theology. We are not equal in the eyes of God. If Judas Iscariot and St. John were equals, the Church could close shop. The trick of introducing adverbial equality will not do either. We have *equally* immortal souls as we might equally have bank accounts, but they are certainly not alike. Of course, who is superior to whom, God only knows.

One of Christianity's main problems is to maintain an equilibrium between the temporal and the spiritual. A pure, otherworldly spirituality might lead to great difficulties and make us lose touch with everyday life. Christianity as a geocentric faith devoted to chronolatry and the quest for popularity would altogether cease to be Christianity. This particular temptation of our times, the grossest and at the same time subtlest of them all, has not presented itself quite so directly since the day when Satan offered to Christ all the treasures and kingdoms of this earth. ◈

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God Bless Our Ancestors

REBEKAH DEAL OLIVER

HISTORY is the record of things done by men, or their failure to do them; the response to each act or its absence, by other men; and the impact of these accumulating responses on future generations of men, all individuals, each in his own time.

Though the fruits of one's time can be stolen or taxed, time itself cannot be taken from one to give to another; and no matter how many are using time, no one is deprived because of another's use. Within the span of each one's life he has all the time there is.

However, what is done with this freely given and equally distributed commodity is an individual matter. This has been true through the ages, qualified by the degree of each man's freedom, his heredity, environment, geography, religion, ambition, needs, conscience, and other pressures which have always separated the individual from the masses. That which has determined the character of each person has been his response to the circumstances of his life and the use he has made of the time allotted him, that measure of being plucked from eternity for him alone.

Being human, we think of time prosaically as "my time" or "my lifetime." And indeed, the accomplishments of history are the accumulation of the thoughts and acts of individual lives. The progress of civilization has developed from the discoveries, the inven-

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tions, the research, and the inspirations of these lives. Music must be composed before it can be sung; a building, a bridge, a road must be designed before it is built; a voyage must first be charted; and strategy employed before a battle. And, though any modern production is usually completed through the joint efforts of many, still each effort is an individual one. While there is time, each person lives his life and makes his contribution, whatever it may be, to history.

There are some people in this world, in this country, with the power of government, or claiming to represent the corporate church, or articulate with some assumed authority, who keep busy telling us what to do – or not to do. Where we are not coerced either by the threat of force or by the mental gymnastics of authoritarian propagandists, we may do as we please. Taking these exceptions into consideration, each person's time is his own, as God-given as the other rights claimed by our forefathers in the Declaration of Independence. Time to invest according to one's judgment and conscience; time in which to play, to work; time to waste, throw away, give away; time in which to be glad, to be sad; time to build, to tear down; time to think, to choose, and to act.

Keeping the Record

One often hears it said that the important thing is what you are, not who your ancestors were. Nevertheless, people have always thought it necessary to record for posterity the past and passing family history. When immigrants came to this country, from the Mayflower Company on, they continued to keep records. In the theocratic New England colonies the government and church records were usually the same. A man could not vote unless he was a church member. When he was accepted as a church member, he was known as a freeman, not before; and the record was kept. Detailed records of town meetings were made and in places where these are extant data can be found about otherwise unknown early Americans.

These records reveal more than mere names, dates, and places. They reveal the character of the people—the rich, bare bones of our heritage. These ancestors were a religious people and they took time to actively practice their religion. Ingrained in their blood from old Scottish Covenanters, French Huguenots, German Palatines, English Puritans, and William Penn's Quakers, to name a few, they founded their lives and their institutions upon religion. Church records made note of each mem-

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ber's activities; the church was the center of the community and took second place in their lives only to the family. As settlement moved westward, the church followed as fast as it could, but did not retain quite the authority it had in the contained settlements of the eastern seaboard; the ministry could not keep up with the rapid expansion of the country. Many localities depended entirely upon the circuit rider and their own family devotions for their spiritual guidance.

Acquisition of land and personal property was the aim of the American settler. Materialistic? Perhaps, but from the dawn of civilization, ownership had been the requisite of freedom. The settler was jealous of his possessions and land boundaries. Early records abound in lawsuits over what might seem trivial matters today. Some historians criticize the Puritans for their emphasis on property, work, and frugality; but without this industry and the incentive for it the Massachusetts Bay colonies would never have survived. Their recourse to law instead of to other means of action is no doubt also responsible for the fact that law and order prevailed throughout many times of stress in the early days of this country and eventually won out in the west where the law, as well as the church, had trouble keeping up with the frontier. Higher education also must have gotten its early boost from the fact that colleges were needed to train preachers and lawyers.

American Traditions and Their Preservation

Our ancestors were a political people. Wherever they settled, indeed even in the caravan, they set up a form of government. Before leaving their ship, the Mayflower Company set up a compact. So, from the beginning in this country every man was jealous of his right to his "say" and of his vote. They ran for office, high and low; and as the United States became an independent nation, they were jealous of the rights guaranteed them by the United States Constitution. They built court houses and worked to have each territory quickly admitted to the Union. They were constructive, building what was needed to make and expand a great nation. Bred into their bones, Americans have taken their political rights for granted, sometimes overlooking that they must be guarded against infringement.

Our ancestors were patriotic. Until the present generation, Americans have never failed to answer with enthusiasm their country's call to arms in time of

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war. Their flag and their country was their stronghold against tyranny. Freedom was worth dying for.

Our ancestors were family men. They took their women with them when they went to conquer the wilderness, and they raised large families to populate it. For their welfare they fought the Indian, the wild beast, the elements – any enemy; they worked hard at all things to provide a better living, a worth-while life – churches, roads, schools, law, order, good government. The aged were a part of the family group and the young learned tolerance, kindness, and the art of sharing – and the rewards of love. Our ancestors were socially conscious. A stated reason for the Jamestown expedition was the conversion of the heathen Indian. One hundred and fifty years ago they started supporting foreign missionaries. Neighbors were mutually helpful to one another and none were allowed to suffer want, though welfare as practiced today would have left them shocked, scandalized, and insulted. Charity was for the church and individuals and, later, also for private and publicly supported voluntary organizations. Government was contained within its Constitutional purposes of maintaining the peace and of protecting the country from its enemies.

Of course, there were some black sheep, scoundrels, horse thieves, atheists, cowards, and traitors scattered among the proud, the industrious, the law abiding, the God-fearing, and the patriotic. Yet those failures stand out so lonesomely among the multitude of the stalwart that we can include them when we say with grateful hearts, "God bless our ancestors and the way they spent the time allotted them." ◈

Regular Government

I WISH, sir, for a regular government, in order to secure and protect those honest citizens who have been distinguished – I mean the *industrious* farmer and planter. I wish them to be protected in the enjoyment of their honestly and industriously acquired property. I wish commerce to be fully protected and encouraged, that the people may have an opportunity of disposing of their crops at market, and of procuring such supplies as they may be in want of. I presume that there can be no political happiness, unless industry be cherished and protected, and property secured.

EDMUND PENDLETON (Speech before the Virginia Convention to consider adoption of the Constitution)

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The Forgotten Man

WILLIAM HENRY CHAMBERLIN

"WEALTH comes only from production, and all that the wrangling grabbers, loafers, and jobbers get to deal with comes from somebody's toil and sacrifice. Who, then, is he who provides it all? The Forgotten Man. . . . delving away in patient industry, supporting his family, casting his vote, supporting the church and the school . . . but he is the only one for whom there is no provision in the great scramble and the big divide. Such is the Forgotten Man. He works, he votes, generally he prays—but he always pays. . . . All the burdens fall on him, or on her, for the Forgotten Man is not seldom a woman."

This 1883 declaration by economist and sociologist William Graham Sumner, a professor at Yale, is the first use of the expression, "Forgotten Man," which Franklin D. Roosevelt employed in a much more demagogic context fifty years later. What Sumner had to say on this subject looms larger as prophecy than as a description of the economist's own time. For in 1883 there was no Federal income tax; the United States had not assumed military and economic burdens all around the world and Big Government, in the sinister modern sense, with its enormous demands on the resources of the taxpayers, did not exist.

If Sumner were alive, he would probably be the first to recognize that the plight of his Forgotten Man is far worse today than it was when he first used the expression. Here a little definition is in order. The Forgotten Man

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is the rare and discouraged breed of citizen who wants to pay his own way in the world, without benefit of any crutches in the way of government aid.

He receives no handouts, but is required to help finance innumerable handouts to others, at home and abroad. Rapacious tax collectors, Federal, state, local, always have their hands in his pockets. He is saddled with an ever-increasing load of exactions, a load that, if present trends are not sharply reversed, will one day break his back, with incalculable consequences for American society and economy. He is a producer, not a consumer of so-called social security. The Forgotten Man does not riot or demonstrate or strike. As his principal exploiters are bureaucrats at various levels, armed with the authority of governmental power, he could not, unless he were willing to go to jail, employ the strike weapon so beloved of industrial workers organized in monopolistic unions, of teachers, "welfare" dispensers, even, incredible as it sounds, of "welfare" recipients.

Forget the Controls

The Forgotten Man only wishes that the state would forget him to the extent of permitting him to contract out of its cumbersome, incredibly mismanaged bureaucratic nightmare of "social security" and let him provide for his own rent, medical care, and retirement needs. But this is a vain desire, as the steady and growing compulsory deductions from his income prove. No matter how diligent he may be in his work or profession, tax laws, especially on the Federal level, are calculated to frustrate his effort to build up a competence for his old age and his family. One need only think of the steeply graduated character of the Federal income tax and of such inequities as the double taxation (as individual and as corporation income) of earnings from dividends. Many states, in their income taxation, have copied the method of steep graduation.

The witty and perceptive French economist, Frederic Bastiat, defined the state as "the great fiction, by which everyone hopes to live at the expense of everyone else." Today there might be a substitute definition: "an engine for pillaging the thrifty for the supposed benefit of the thriftless." And the worst, for the Forgotten Man, is probably still to come. The present raids on his pocketbook and gouges at his bank account, onerous though they are, would seem mild in retrospect if such schemes for dividing up the wealth as the guaranteed annual income, the so-called negative in-

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come tax, or the various proposals for paying tens of billions of "compensation" to a certain ethnic group in the population should go into effect.

Direct and Indirect Taxes

The Forgotten Man is caught between the hammer of inexorably rising taxation (with state and local grabs outpacing the Federal) and the anvil of visible inflation. As a concrete example of the continuous encroachments of state and local tax authorities on the earnings and savings of citizens, consider the situation in the state where I live, the Commonwealth of Massachusetts, widely rechristened Taxachusetts by its disgruntled taxpayers.

Corruption, mismanagement, and extravagance are old characteristics of the state administration, especially under such notorious political bosses as the twice-jailed James Michael Curley, amusingly portrayed as "Skeffington" in Edwin O'Connor's novel, *The Last Hurrah*. The regime of a more recent Governor, Foster Furcolo, produced a rich crop of scandals.

Matters seemed to take a turn for the better with the election of a businessman, John A. Volpe, as Governor. There was substantial support for Volpe among the harassed taxpayers when he pressed for the raising of additional funds through a sales tax, decidedly preferable, from the individual taxpayer's standpoint, to the introduction of a graduated income tax. Volpe fought off such proposals and was vindicated in a referendum and by a smashing majority when he ran last year for re-election.

Many of the people who supported Volpe on the referendum and at the polls believed that he would be satisfied with tapping one important new source of revenue. They were also attracted by the frequent assertion, during the campaign for the sales tax, that its enactment would make it possible to reduce the extremely high rates of personal property tax throughout the state. ("Taxachusetts" is a leader among states in this form of exaction.)

On both counts they have been sorely disappointed. Volpe has proved himself only a politician, after all, with the politician's uncontrollable yen for spending taxpayers' money. Safely re-elected for a four year term, he has come to the legislature with a request for about $100 million dollars in additional revenue, to be financed through increases of the already high rates of state income tax. This burden is aggravated for anyone with investment savings because income from investment

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is taxed at about two and a half times the rate levied on salaries and wages.

Instead of the sales tax as an alternative to higher income taxes, Massachusetts taxpayers are hit fore and aft by increases in both. They have also been hit amidships. The promised reduction in the rate of property tax has proved a cruel hoax, at least in Cambridge, the town where I live, and in some other communities as well. A cabal in the Cambridge city council ousted an admirable city manager who had combined efficient administration with a stable tax rate and installed a successor who could not restrain his eagerness to pile up the burden on Cambridge home owners. Whereas the former city manager had kept the tax rate unchanged without a share in the receipts of the sales tax, which had not gone into effect during his administration, his successor pushed through tax increases of 6 per cent and 15 per cent, while also enjoying the increment of a share in the proceeds of the sales tax.

So "Taxachusetts" runs true to form, and its unfortunate taxpayers and home owners get three simultaneous solar plexus blows, through the sales tax, the increase in income tax (unless sufficient pressure can be brought on the legislature to vote this down), and through property taxes that have risen, not fallen, since the enactment of the state sales tax. It does not stand alone; the same pattern, with differing details, may be observed throughout the nation.

The Meek Inherit Burdens

Part of the blame for the steady chipping away and erosion of the taxpayers' income and standard of living rests with the undue meekness of the Forgotten Man. He is a law-abiding citizen and his impulse, on getting an increased bill from the tax collector, is to pay up without even marching to city hall and hanging the mayor and members of the council in effigy.

Indeed, it is a problem for a psychologist why organized union groups will sometimes commit every crime in the book, assault and battery, willful destruction of property, mayhem, even murder, in order to extort a higher income while the taxpayer meekly accepts dose after dose of diminished income. The latter is surely a more serious grievance and one wonders what explosion would follow if an employer proposed the same work at reduced wages. That is what the state, through one agency or another, is continually imposing on the Forgotten Man, the taxpayer whom the politician despises as a cow to be milked dry, a sheep to be shorn.

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How different was the reaction of early Americans to the imposition of what seem, in comparison with the present exactions, quite trivial taxes on tea and stamps! One of the grievances of the colonists against King George III is phrased as follows in the old-fashioned, grave, and dignified language of the Declaration of Independence:

> He has erected a multitude of new Offices, and sent hither swarms of Officers to harass our People and eat out their substance.

There is enough lawless violence in the United States now, without recommending violent extralegal forms of protest to the oppressed, pillaged, and exploited taxpayers. Besides, the Forgotten Man, as described by Sumner, is a sober, responsible citizen with a high regard for public order. However, there are eminently legal forms of protest and resistance which have not been called into effect as often as they should have been.

"Don't Tread on Me"

One obvious reason why taxpayers are treated with contempt by free-spending politicians, eager to buy this or that bloc of votes at the price of other people's money, is that they are completely unorganized. A very healthy change would come over the picture if taxpayers in states and communities would organize and study with microscopic closeness the spending records of elected officials and legislators.

Then they could punish at the polls every executive, every administrator, every legislator on the Federal, state, or local level who is identified with unnecessary high spending programs that involve higher taxes. Let them develop an elephant's memory and permanently blacklist every man and woman in public office who has been in the habit of raiding their pocketbooks with impunity. Let this strategy be applied consistently, ruthlessly, implacably, and the politician's instinct for self-preservation will come into operation and bring about a sudden saving vision of the virtues of public economy.

Unless the Forgotten Men who never get any government handouts but finance a good many to others, who are providers but not consumers of security, take some measures of financial self-defense and self-preservation, unless present trends toward reckless spending at Federal, state, and local levels are checked, the taxpayer, more heavily loaded than any camel in a caravan, will find that he has no more earnings, or savings, to be taxed away.

The Forgotten Man, who is so old-fashioned as to believe in the

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merit of thrift, is hard hit by inflation. During the nineteenth century the United States dollar, although it experienced ups and downs in purchasing power, remained basically stable, buying approximately as much in 1900 as in 1800. This is emphatically not true as regards America's currency in the twentieth century; and the end of this story is not yet. In very recent experience, items large and small, newspapers, concert tickets, shoeshines, haircuts, doctors' charges, hospital costs, food, furniture, have been changing in cost more or less rapidly, and always in one direction, upward.

The result has been very much that of clipping the coinage, a favorite inflationary device in the Middle Ages. Holders of bankbooks and insurance policies have seen the real value of their holdings shrink. This development is not surprising, because politics has more and more dominated financial policy, and all political pressures are inflationary.

Legislation giving privileged status to trade unions has taken the risk out of striking. (Has anyone heard of a major strike lost in recent years?) As might have been expected, some unions have abused this new-found power to extort wage settlements quite out of line with increased productivity, with resultant government spending and inflation to forestall unemployment. Another cause of the rising cost of living and another blow at the taxpayer's pocketbook is the elaborate system devised for paying farmers more for producing less, or producing nothing at all.

Another obvious cause of inflation is the persistent refusal of either the legislative branch or the executive branch of the Federal government, despite much lip service to the ideal, to make any serious attempt to practice economy in public spending. Most private individuals could cheerfully spend a good deal more than they earn, but are obliged to adjust their spending to their incomes.

Unbounded Government

The root cause of many of our difficulties is that public administration, at the Federal, state, and municipal level, is under no such restraint. All too often public budgets are framed on the basis of spending without limit, and making up the difference by inflationary borrowing or by dipping into the pocket of the taxpayer for a new grab.

That the high cost of government is a matter of concern not only to the well-to-do but to people in the lower brackets is evident from an item recently published in

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the *San Francisco Examiner*. A part-time typist, Mrs. Helen Burch, submitted the following breakdown of her earnings and taxes for the years 1958 and 1966:

	1958	*1966*
Salary (gross)	$2,521	$3,414
Real property taxes	340	681
Income tax withheld	102	521
Social security tax withheld	56	144
Total taxes	498	1,346
Salary (net)	2,023	2,068

Considering the decline in the purchasing power of the dollar, Mrs. Burch has evidently been running fast without even being able to stay in the same place. Even worse is the plight of elderly retired persons who cannot report a gain in gross salary.

Reversing the Trend

The plight of the Forgotten Man who would like to stand on his own feet economically is bleak today and will be bleaker tomorrow, unless the merry-go-round of ever-higher public spending and ever-higher taxation can be stopped or thrown into reverse. Perhaps there is consolation in the thought that, when an evil becomes intolerable, reform, brought on by public indignation, cannot be far away.

There is also cause for encouragement in the eminently sound economic resolutions adopted at the recent congress of Young Americans for Freedom. These young Americans, who stand for integral freedom and realize that economic freedom is not the least important element in this ideal, came out for abolishing the graduated element in the Federal income tax, for dropping the minimum wage and for making participation in social security optional. And they gave cogent, detailed reasons for each of these stands.

They characterized taxing of income at different rates as a violation of the laws of justice and "an economic attack on the initiative of individuals to use their own income as capital for maximization of future income and a penalty on those who are industrious and able." They rightly see in the minimum wage "a major cause of unemployment among the young, especially among minority groups." And they show that a 22-year-old worker, earning $6,600 or more will have paid the government $63,894 in social security taxes by the time he is 65 and could earn a much higher income than his social security pittance by investing this sum with normal prudence.

The evils of excessive and ever-increasing appropriation of the fruits of individual labor by the state and of inflation have reached crisis proportions. If the Forgotten Man does not wish to become the Extinct Man, he should bestir himself for remedial action. ◈

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Sovereignty

WILLIAM PENN PATRICK

SOVEREIGNTY is a very important word to us in *Holiday Magic*. The word is often misunderstood or forgotten completely by many of us today.

In our business, sovereignty means being separate, yet attracted to one another by mutual interests.

We are separate and sovereign business people. We are, as I once called it, "independent contractors."

Measure your independence against the salaried employee of any company. Compare your growth, your income, and your opportunities with their "security."

Would you like to be limited to a salaried security and menial mediocrity? I doubt it.

Our method of marketing proves the reality of the American Dream as shown by independent, enterprising people attending to their own welfare and success.

Your attachment to this company is cemented in mutually accepted rules binding both our common affairs.

We don't withhold your income taxes. We don't pay your government pension and medicare taxes. We don't provide you with sick leave or paid vacations. You do these things for yourselves as you choose.

You don't punch our time cards, give us mileage records, expense vouchers, or daily reports.

With us you have independence, mutual assistance, and an unlimited opportunity to go as far as your talents, lubricated by your own sweat, will take you.

Who's more interested in your security, you or us? Who's best able to provide that security, you or us? Sovereignty is a political idea as well. The idea of local "home-rule" government grew out of the concept of original interest, personal liberty, and private ownership of property.

Original interest is within you, since no one is as equally and vitally concerned about your welfare and security as yourself. It stands to reason that you, or those you personally delegate, select, and pay, will best care for that which you own, earn, and desire.

Mr. Patrick is Chairman of the Board of Holiday Magic Cosmetics, Inc., uniquely organized as a system of "independent contractors." This article is from his column in the November-December 1967 issue of the company magazine, *The Wand*.

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Somehow, the notion has crept into our thinking that one who lives farthest from our town cares more for it than you. In addition, it is thought today that some appointed bureaucrat several thousands of miles away is more concerned about your personal welfare than yourself.

How can anyone believe that some nameless, faceless, civil servant has more compassion and interest, knowhow, and intelligence, when it comes to our own interests, than we do ourselves?

I expressed my feelings on this subject in my *Happiness and Success through Principle.* Of course, my views run contrary to the "accepted" view of brotherhood between the ruled and the rulers, but so does reality.

Those who believe the desire for self-improvement and material betterment is selfishness and wrong are the ones who seek the power of government as a moral material equalizer, and the ones who ultimately discourage progress and new ideas.

I believe that, once man hurdles the obstacles of inborn ignorance, his legitimate self-interest is the *finest motivating force* for his own and mankind's progressive material and spiritual benefit.

Self-appointed superior people bleed for mankind and seek power to control everyone according to their plan. They stifle and impede progress as well as human freedom. They are opposed to the average man having personal sovereignty. They oppose business sovereignty and local government sovereignty as a result.

America's founders proved them wrong. *Holiday Magic,* as a business on the front lines of the market, has proved them wrong in the modern commercial world, too.

When you see or hear me standing up for some political or professional ideal, you should have no doubts as to my motives.

My firm desire is to see that *Holiday Magic* remains a sovereign and prosperous company.

To do that, I should be willing to stand and defend our rights to be a sovereign and free people.

To insure that right, you and I should be willing to stand and defend, and declare, our nation's right of sovereignty in a hostile world, and our state's right of sovereignty under our great Constitution.

Only when these things are done can you, and your children, feel secure in your efforts, your pursuit of prosperity and security, and the freedom to own that which you earn and save.

Sovereignty is a meaningful word to us and to the whole of mankind. ◈

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Zealous reformers of governmental institutions tend to forget that sound underlying ideas are basic to liberty. How a president is elected — who shall rule — matter much less than to understand why the power of government should be limited in the interests of man and society. With that distinction in mind, a student at Brown University here cautions against hasty abolition of the Electoral College.

IN DEFENSE OF THE COLLEGE

ROGER DONWAY

A BAND of phoenix-like reformers will soon rise up, as they quadrennially do, to advocate the abolition of the Electoral College. In a series of background articles, journalists will calculate the possible courses of post-election havoc in 1968. Editorialists will fill space supporting programs of amendment. Civics teachers will ridicule the antique institution. And the word "undemocratic" and the phrase "one man, one vote" will be heard in every corner.

Although unimpressed by current arguments, I am not adamantly opposed to such a Constitutional reform. There is, to my knowledge, no natural right involved in abolishing, modifying, or maintaining the Electoral College. The process of electing a President is *not* a democratic one, but there is no evidence that it was intended to be democratic, and I can think of no compelling reason why it ought to be so.

On the other hand, I cannot see that the College is, like the Bill of Rights, one of those Constitutional bulwarks against democracy on which our liberty vitally depends. The choice of the majority or plurality has usually also been the electoral winner. And in those few instances where he was not so, there is no evidence that the country was being saved from dema-

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gogy by the intervention of wiser and calmer electors.

The whole question really seems to be one only of efficiency or convenience, and the College is certainly less than perfect by that standard. But since those arguments showing the advantages of reform are, I assume, fairly well known (a recent poll showed 65 per cent of the people in favor of abolishing the College outright), what I would like to suggest here are some of the less often mentioned considerations *against* reforming the College.

Caution Commended

The first, most obvious caution is that it would mean amending the Constitution in a very basic way, and simply in terms of precedent we ought to hesitate over that. If it is only for a matter of efficiency, better perhaps to leave it alone. Already we amend too easily. I would venture that most Americans did not hear of the last two amendments until they were passed, if then. Even worse, an overamended Constitution becomes a target for replacement, a possibility as frightening as it is fortunately remote.

Of course, the reformers will cry that this sort of objection could be brought against any change at all, and that is perfectly true; it could and it should. With the pragmatic turn of the American mind, we habitually give too little thought to precedent on the delusive premise that our actions will never amount to a real change. It is against this that I propose my first caution. However, it is only a caution. If the change is badly needed, by all means acknowledge the precedent, and then reform.

But there is another caution I wish to point out, one much more immediate in impact and explosive in effect: we know how our present system works, we are familiar with it, our political thinking is based around it, and it holds fewer surprises than a new one would. The reformers may like to call the Electoral College "vestigial," but it is far from it. True, the electors themselves are not vital political entities, but the influence of the electoral structure is nonetheless pervasive.

To see what might happen after a reform, consider the proposal for the direct election of the President. This is both the simplest method in practice and the ideal behind most of the suggested changes. Actually, direct election would have many drawbacks other than those I wish to raise and for that reason few people actually advocate it. However, the observations drawn against it here are also, I believe, applicable to most of the usual modifications of di-

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rect election which are being urged.

Recall that direct elections are won by pluralities, the difference of votes between the winner and the loser. All other statistics are merely interesting. This is not true of the present system. Currently, to be elected, a candidate must win not one, but several elections, some combination out of fifty, the value of each being determined by the number of people in the state.

Clearly, the theory behind direct election is much simpler. It maintains that the President is elected by the nation and that the person chosen by a plurality on election day to be President, *ought* to be President.

The electoral thesis is more complex. It says that the nation is composed of states and that it is these who choose the President, each state being more or less influential in relation to its population. To determine the voice of a state, an election is held and a plurality rules.

Pluralities vs. Totals

Now, know it or not and like it or not, the electoral thesis has shaped our political ideas in many basic ways. And the institution of direct elections would radically alter these patterns of thought.

Under the present system, we have grown accustomed to thinking that the populous states should have more say than the less populous states in nominating and electing a President. At the conventions, for example, the parties are careful to consider the wishes of the larger states' delegations, knowing that if a candidate is pleasing to these large blocs of electoral votes, he is that much more likely to be elected. Less populous states get comparatively short shrift. Of course, the justice of such a system may be debated by, say, New Yorkers and Alabamans, but it is currently considered "fair" in political thinking that New York should be more influential.

Again, during the election, the candidates are most likely to adopt views pleasing to the people in the populous states, and thus, ultimately, the President is likely to reflect the political philosophy prevalent in these states.

Under a system of direct election this would almost certainly be changed, for such elections, as I said, are won on pluralities. Thus the influential states would be those which could deliver the largest pluralities to a candidate, population being irrelevant. A state with six million voters and an uncertain plurality, becomes worth less than a state with a million voters and a plurality of 300,000,

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and so do the views of its voters.

To take an example, imagine that the election of 1960 had been a direct election. The power bases of the candidates would have been considerably different. Georgia would have been worth four times as much as Texas to the Democratic candidate, whereas under the electoral system it was worth one-half. Louisiana would have been twenty times as valuable as Illinois instead of one-third. Rhode Island would have weighed about equally with Pennsylvania instead of being one-eighth as important.

For the Republicans, Kansas would have been more than five times as valuable as California, instead of being worth one-fourth of it. Instead of being about equal, Indiana would have been five times more important than Virginia. Instead of Nebraska being one-half as valuable as Wisconsin, it would have been worth twice as much.

This situation, the reformers tell us, would make elections more rational.

Such dramatic shifts in power would not be lost on the political rulers of small but one-sided states, particularly in the South. And their new influence, for better or worse, would be greatly felt at the conventions. Whether or not they *should* have such power is a different question. The fact is that they do not now have it, and an effect of instituting direct elections would be to give it to them.

But this is only one example of the revolutions hidden in abolishing the "vestigial" institution. And it is the sort of alteration we ought at least to be expecting and not discovering too late. Until we can be sure of the cost then, let us keep the College. ◈

Self-Reliance

THE WEAKNESSES of the many make the leader possible – and the man who craves disciples and wants followers is always more or less of a charlatan. The man of genuine worth and insight wants to be himself; and he wants others to be themselves, also. Discipleship is a degenerating process to all parties concerned. People who are able to do their own thinking should not allow others to do it for them.

ELBERT HUBBARD

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DOES LABOR CREATE CAPITAL?

DEAN LIPTON

FOR MORE than a century, the Marxists have loudly contended that capital is the product of former labor. Nor was this idea original with Karl Marx. The classical economists had pointed it out much earlier, and in an often-misquoted statement, Abraham Lincoln had said that before there could be capital, there had to be labor.

However, Lincoln – an advocate of free capitalism, if there ever was one – and the classical economists differed from Marx and his followers on whose labor created capital. According to Marx, *everyone's* labor created capital. But Lincoln and the classicists knew that capital came about only as *someone* saved from the fruits of his labor.

How this works in the practical world may be demonstrated by two workingmen named Smith and Jones employed by Brown. Smith and Jones are equally good workers, industrious, competent, and dependable. Brown pays each of them two hundred dollars a week. Smith spends all his wages; but Jones, planning to go into business for himself some day, saves twenty-five dollars each week.

Two facts are apparent. Smith works as hard as does Jones and is as competent and dependable; his labor adds to production every bit as much as does Jones'. However, he has done nothing to help Jones create his capital. If Smith had worked twice as hard, he still would have done no more to increase Jones' capital than if he had not worked at all. Employer Brown, of course, might profit from the labor of both men and might convert such profits to capital.

The great Austrian economist Eugen von Böhm-Bawerk put it into a brilliant equation: "Industry plus savings equals capital."

Böhm-Bawerk pointed out that

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the creation of capital is never accidental as it would have to be if it were the product of all labor, but comes always from the free choice of an individual – his decision that a part of his wage should be put aside and invested as capital.

For many generations, the economic thinking of countless people – not all of them Marxists – has been tainted by the concept that labor collectively creates capital. The ethical as well as the economic basis for Marx's theory of surplus value rests on this idea. So do the wage-price beliefs promulgated by American and European labor unions. This "surplus value" idea accounts for the insistent demands of union leaders that any increase in productivity be given to union members in the form of higher wages. Obviously, if capital were created simply by laboring, all the products of industry and commerce should belong to labor.

But, the theory will not stand scrutiny. Proof of it would have to show that man's native, inherent ability to produce has increased over the centuries. Marx himself knew better. He devoted pages to demonstrate how industrial productivity increased *only* as the result of technological advances. Men who still work at the handicraft stage of development produce little more than their remote ancestors did.

Capital, often in the form of machinery, is what makes the difference between a lower and higher rate of productivity. Therefore, there can be no sound ethical reason for the increased product going to the man operating the machine. A stronger ethical case could be made for it to go solely to the man who invented the machine. When Marx developed his theory of surplus value, he must have known this; yet he chose to ignore it. The entire moral basis of Marxian Socialism rests on the concept that capital is the collective creation of labor.

The Facts Deny the Theory

The economic reasoning behind "surplus value" is also unsound. If there were any validity to it, the businessman with the largest labor force would always make the highest profit. Labor-saving machinery would be a drug on the market, since no businessman would want to displace a profit-generating worker.

A few years ago two great daily newspapers in San Francisco merged after operating at an annual loss of a million dollars each. If the theory of "surplus value" were valid, their large, separate work forces should have generated profits rather than losses. A pri-

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mary reason for their merger was to avoid uneconomic labor costs.

This also accounts for the rapid rise of automation. High wages are an inducement to savers to invest in machinery while low wages tend to keep it out of use. Competition among employers obliges them to automate as fast as they can and to pay wages as high as they can to attract their needed work forces. The facts of good business practice simply refute the theory of "surplus value" at every turn.

Like many of his other theories, "surplus value" was not original with Marx. Similar ideas were floating around in the nineteenth century. For instance, James Mill (the father of John Stuart Mill) wrote in his *Elements of Political Economy,* "profits of stock depend upon wages; rise as wages fall, and fall as wages rise." This was in 1826, more than forty years before the first volume of Marx's *Capital* was published. It contradicted the whole history of capitalist development; and the question is: Why were thinking men like James Mill and Karl Marx so wrong?

The answer should be apparent to anyone familiar with the England of early-and-middle nineteenth century. Its primitive industrialism was grafted on a mercantilist economy and its social system remained cluttered with feudal trappings. Mill and Marx observed the conditions in factory centers such as London and Manchester, and tried to derive from these limited observations some universal economic truths.

Edward Gibbon Wakefield

A young contemporary of James Mill, and a close friend of his son, John Stuart Mill, was Edward Gibbon Wakefield. Wakefield approached the capitalist movement with a different point of view from that of James Mill and Marx, and history confirms the accuracy of his conclusions.

An unfortunate personal misadventure caused Wakefield's reputation to be downgraded in his own time, and today his work is known only to specialists in colonial history. However, Wakefield was more than a narrow specialist. His polemical writings were certainly the equal of Disraeli's and Cobden's; and in a wide range of economic and social fields, Wakefield possessed a brilliant, powerful, and perceptive mind. Yet, except for John Stuart Mill, most of the so-called intellectual leaders of Wakefield's time dismissed him as of little importance.

Wakefield knew the England of the nineteenth century as well as did James Mill and Marx, but he

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also knew that conditions there were not applicable to the rest of the world. His economic investigations were broader than those of any other man of his time. They ranged from the United States and Canada to western Europe to Australia. He set forth his ideas on wages and profits in a book, *England and America,* published seven years after James Mill's *Elements of Political Economy* and more than thirty years before the first volume of Marx's *Capital.* In one bold stroke, Wakefield demolished every existing theory of wages and profit, including David Ricardo's wage-fund theory.

Where Marx would contend that the rich could grow richer only as the poor became poorer, Wakefield insisted that high wages and high profits went together. He pointed out that in England where profits were comparatively low, wages were also low, and in the United States where profits were high, wages were also comparably higher. Marx predicted that capitalism would destroy the middle class. Wakefield predicted that the middle class would flourish under capitalism. Marx based the validity of his ideas – as Böhm-Bawerk took great pains to point out – on exchange value. Wakefield wrote, "economists in treating of the production and distribution of wealth have overlooked the chief element of production, namely, the field in which capital and labor are employed." What was necessary to sustain both high wages and high profits? Wakefield's answer, "the proper utilization of productive facilities in relationship to land." It is obvious from his usage of the word "land" that he meant it to cover all other factors of production in general.

Consumers Determine Proper Use

Under free market conditions, this is the way it is accomplished. Land, labor, and capital are brought into use because of the demand by consumers for certain products. When the needs and wants of consumers change, then the producers' requirements must also change. Otherwise, those failures go out of business, and other businesses take their place. The free market makes possible a rich and variegated supply of goods because the businessmen who operate in it must meet the desires of consumers; and as consumers develop new wants business quickly seizes the opportunity to meet them. There is, therefore, a natural allocation of land, labor, and capital following the needs and wants of the market place.

The only other way to allocate a nation's resources is through government edict, workers being told when and where they can

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work, and equipment and material being controlled by bureaucratic decisions. Wherever this has been tried, it has produced limited commodities of a dreary and monotonous uniformity.

Increased productivity – making possible both higher wages and higher profits – depends upon original ideas frequently developed as machinery – the product of an inventor's genius, not a worker's skill. In the abstract, the idea-man, the inventor would seem to be entitled to all the increased productivity. He is the one irreplaceable link in the productive chain. Both investors and workers exist in great numbers. Inventive genius does not.

But there are a number of things wrong with this analysis. First, it must be realized that no matter how brilliant the idea, it will profit no one unless there is a market for the product, unless people want it enough to pay for it. Secondly, the inventor must ordinarily be financed for many years, sometimes for most of his life, before his invention bears fruit. So the people who finance him are entitled to a part of what the product brings in sale to other people. Finally, the high promise of capitalism is an ever-increasing standard of living. So part of this increased productivity and sales must be returned to *all* of the people.

Improved standards of living for all will be possible only when increased technology permits a more widespread lowering of prices instead of heralding an automatic increase in wages to union members. In the end, it is the consumer who determines both the returns upon capital and the wages of labor. ◈

IDEAS ON LIBERTY

Consumers Control Production

With full competition
And freedom of trade,
Each dollar, as spent,
Votes what shall be made.

A thousand commissions,
Working daytime and night,
Could not guide production
So nearly aright.

WILLFORD I. KING, *Economics in Rhyme*

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"Marx Was a Fool"

I'LL NEVER FORGET the shock I experienced when, some thirty-five years ago, I heard Isabel Paterson say with magisterial scorn, "Marx was a fool." The depression was then at its lowest point, capitalism was staggering all over the world, and the "Russian experiment," with its Five-Year Plan, had not yet been exposed as a hollow failure. So how could Marx be regarded as a fool when some of his most cherished predictions seemed about to come true?

Nevertheless, Isabel Paterson was right; Marx was a fool. In his *The Trouble with Marx* (Arlington House, with an introduction by Gottfried Haberler, $5.00), David McCord Wright doesn't quite put it that way. He limits himself to saying that Marxism is "scientifically mistaken," that it is "an extremely plausible combination of all the most widely spread mistakes of nineteenth century culture," and that "the basic Marxist analysis is intellectual hokum." But when he is through with his devastating exposure of the fallacies that hide behind the Marxist-Leninist jargon – he calls it "scraping off the gobbledygook" – the Paterson ex cathedra verdict stands: Marx was a fool.

The usual approach of those who seek to discredit Marx is to tackle him on the labor theory of value. But Professor Wright, after doffing his cap to Böhm-Bawerk and the Austrian school for their work in showing that value is a subjective concept which must be quantified in the market, goes on to consider the "overall outline of the Marxian system." He reduces the economic and political elements of Marxism to the solemn labels that have so bemused our world: "economic determinism," "the class struggle," "surplus value," "the industrial reserve army," "the falling rate of profit," "increasing misery of the proletariat," "with-

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ering away of the state," and so forth and so on. But the labels, as Wright shows, are not true abstractions from reality. They distort a world in which things are not "determined." To give truth to the labels, one would first have to change the human species into an animal that never was on land or sea.

People-Control

Taking hold of Marxism at the utopian end, Wright begins his critique by riddling the idea that the state can ever "wither away." Lenin thought that, with the abolition of classes and private property, government would be reduced to the "administration of things." But it is not private property or the existence of classes that makes a state – i.e., a "power of suppression"—necessary. Government must be something more than the "administration of things" for the simple reason that men disagree. Under Communism a Trotsky will want to push one program, a Stalin another. The virtue of capitalism is that it permits men to satisfy differing wants in the market place without killing each other. But under Communism the wants of the administrators are sovereign whether the nonadministrators like it or not. Moreover, there are all the noneconomic desires of differing men to consider. How many wives shall a man have? Should adultery be punished? What about idiots who persist in driving on the wrong side of the road? If a man has typhoid, should he be quarantined? And what about writers who dissent from prevailing standards? If they advocate assassination, and try to act upon their advocacy, should they be jailed?

The questions can be multiplied endlessly. But they all terminate in the same place: a "power of suppression" must be located somewhere in society or what Lenin called the "elementary conditions of social existence" will be replaced by primitive anarchy. In which case, of course, there will be no "things" – man-made goods as distinct from the roots and herbs that may be found in nature – to "administer."

Poverty Can Be Avoided

Since the state can't "wither away," the "dictatorship of the proletariat" must hang on as long as Marxists are in control of human effort. But the fact that Marxism can't bring utopia to this earth does not in itself vitiate it as economic or social analysis of "what is." Wright goes on to show that the qualitative improvement of such things as machine tools, chemical processes, the use of fertilizers in agriculture, the manage-

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ment of business, and the speeding of transportation and communications, all serve to increase the product of the individual labor hour, which means that there is more to be shared between the worker, the foreman, the stockholder, and the company president.

Because of this very obvious fact, the "inevitability" of the "falling rate of profit" simply evaporates. And because there is no necessitous iron chain of events, the "class struggle" can be confined within relatively peaceful limits if not abolished. Since capitalism is inherently expansive as long as qualitative improvement in its machinery is a possibility, the "industrial reserve army" is no sword of Damocles. In good times it tends to give way to full employment. And the "increasing misery of the proletariat" is statistically refuted by the climb in the Gross National Product.

Professor Wright is not a propagandist, and he therefore admits that the market economy is not perfect. Not all businesses succeed, and the very fact that entrepreneurs lack X-ray eyes means that discontinuities must appear from time to time. When a series of misjudgments about the future occurs, depression is possible. But the point is that communist commissars don't have X-ray eyes, either. Their mistakes go to the warehouses, and when mistakes accumulate with too great a frequency a political explosion can follow.

Class Contradictions

Professor Wright eschews personalities in his book, for, as he puts it, his aim is to discuss the truth and usefulness "as science" of the ideas of Marx and Lenin. From this standpoint, he says, the private life of Marx "is as relevant as a psychoanalysis of Euclid would be to the truth of plane geometry." Nevertheless, he does consider it relevant to his argument to point out that Marx, Engels, and Lenin were all of bourgeois origin. Their philosophies were not "conditioned" by their economic station in life. Marx was the son of a lawyer, Engels of a well-to-do manufacturer, Lenin of a district school superintendent. Their "alienation" derived not from economic causes but from psychological dissatisfactions that had nothing to do with "class." Marx encountered anti-Semitism in Berlin when he moved to that city from the Rhineland to study law, but this did not turn him into a pro-Semite. Indeed, he lived to say many nasty things about his own race. He projected his spiritual malaise upon history. And he spent the latter years of his life trying in vain to assemble objective evidence to validate the things

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that he had laid down as "law" in the first volume of his *Das Kapital.*

Professor Wright thinks that "the frantic reading and little writing of Marx's later years represent the typical behavior of a man deeply worried about the validity of his own arguments and frantically trying to buttress them before he dared publication." Well, as Isabel Paterson might have said, it is the mark of a fool that he persists in throwing good money after bad. Wright is too polite to say that Marx himself was a fraud. It is enough for him to say that the Marxist system is fraudulent when it is presented as a science. ◈

▸ *AND EVEN IF YOU DO* by Joseph Wood Krutch (New York: William Morrow & Co., 1967) 341 pp., $6.50.

Reviewed by Robert M. Thornton

THE READERS of Dr. Krutch's earlier collection of essays, *If You Don't Mind My Saying So,* will appreciate the title of this new book—not to mention the contents which range from opinion polls, utopias, and Descartes to the importance of the seed to civilization, legs, and the weight of water colder than 39° Fahrenheit.

Krutch has written much about literature, drama, and nature, but for forty years he has been deeply interested in human nature and the human condition. "Can anyone deny," he asks, "that for at least a hundred years we have been prejudiced in favor of everything —including economic determinism, mechanistic behaviorism and relativism — which reduces the stature of man until he ceases to be man at all in any sense former humanism would recognize." So modern man suffers "from the sense of helpless futility when he thinks of what he *is* — or has been persuaded to believe himself to be." But paradoxically, in his role as technologist, man suffers "from delusions of grandeur when he thinks of what he can *do.*"

To escape from his predicament, man should remember that he "needs not only to know but also to wonder and to love," as Krutch puts it. He will, perhaps, be less cocky about his powers over nature when in the expression of wonder he recognizes himself as a creature of a reality that far transcends his finite comprehension. But the fact that he *is* capable of these emotions should remind him, too, that man is neither machine nor animal.

Krutch is wonderful tonic for those who despair. Though you may lose hope for the world, he writes, you need not lose hope in yourself. Do not say, "I will do what everybody else does because there is no use trying to be any-

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thing but rotten in a rotten society." If necessary, be a lonely candle which can throw its beams far in a darkling world. This is not only best for society but also the best and happiest course for the individual. If the world is hopeless, it is "wiser to see what one can do about oneself than to give up all hope of that also."

Krutch offers an excellent corrective for those who renounce personal integrity or personal happiness and insist that our duty is to think primarily in terms of what can be done for society. "I came into this world," said Thoreau, "not primarily to make it better but to live in it, be it good or bad." There is something to be said for those who do their best even though they do not see at the moment just what practical good it is going to do for the common man. After all, writes Krutch, "the medieval monk did perform a service. Neither the God he served nor the learning he preserved counted for much in the world from which he retired. But he did exemplify in himself virtues that might otherwise have ceased to exist entirely, and he did preserve learning that without him would have been lost."

Krutch never forces himself on his readers but, in his gentle way, he prods one to do his own thinking. If, as Opitz says, philosophy is more to be caught than taught, the bait offered by Joseph Wood Krutch is most alluring. ◈

▸ *LEFT LUGGAGE, A Caustic History of British Socialism from Marx to Wilson* by C. Northcote Parkinson (Boston: Houghton Mifflin Company, 1967), $4.95, 236 pp.

Reviewed by Robert M. Thornton

FRANKLY, this book is dry reading in parts, for even the witty formulator of "Parkinson's Law" cannot make British socialism an entertaining or inspiring subject. Dullness may be one of the reasons for socialism's failure. All it now promises people, says Parkinson, is a classless society in which economic security is guaranteed by the state; where no one is to have anything that all cannot have. A socialist society also dries up the sources of idealism, and idealism is necessary to a healthy, dynamic society. Men have been willing to lay down their lives for God or the emperor, for their regiment or for the flag, but you cannot expect such sacrifice on behalf of a higher standard of living.

A generation ago Robert A. Taft offered a similar criticism of a society too much concerned with things: "Before our system can claim success, it must not only

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create a people with a higher standard of living, but a people with a higher standard of character – character that must include religious faith, morality, educated intelligence, self-restraint, and an ingrained demand for justice and unselfishness. . . . We cannot hope to achieve salvation by worshiping the god of the standard of living."

In 1944, F.A. Hayek dedicated a book to "The Socialists of All Parties," and warned his English friends that central planning is the road to serfdom. Parkinson, quoting liberally from Herbert Spencer's *The Man vs. the State,* tells us again that socialism and freedom are incompatible. For those who have the eyes to see and the ears to hear we have a recital of England's collectivist experiences to warn us again of the dangers in our present trend toward statism.

Another fatal error of socialism is its insistence that no one be allowed to enjoy the advantages of birth, upbringing, environment, intelligence, determination, hard work, foresight, patience, thrift, and ambition. Then, as Joseph Wood Krutch has observed, about the only thing to strive for in such a society is power. The classless society produces only the bureaucrat, the nonindividual castigated by Parkinson in earlier books. But the good society needs such uncommon men and women, as Parkinson himself pointed out a couple of years ago in *A Law unto Themselves* (Boston, 1966). Without pathfinders and innovators in the arts and in science as well as in business and industry a society will stagnate. To discourage the outstanding individuals and attempt to reduce them to the level of the great majority is to hurt everyone.

Socialism, concludes Parkinson, is intellectually bankrupt. The thought has been put more thoroughly and profoundly by Mises, Hayek, and Röpke. But it doesn't hurt to add another volume to the growing stack of books which demolish socialist theory and practice. ◈

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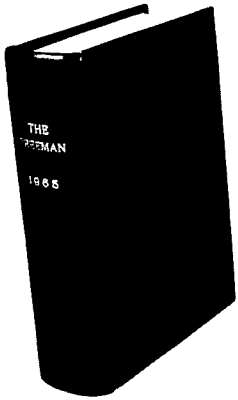

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